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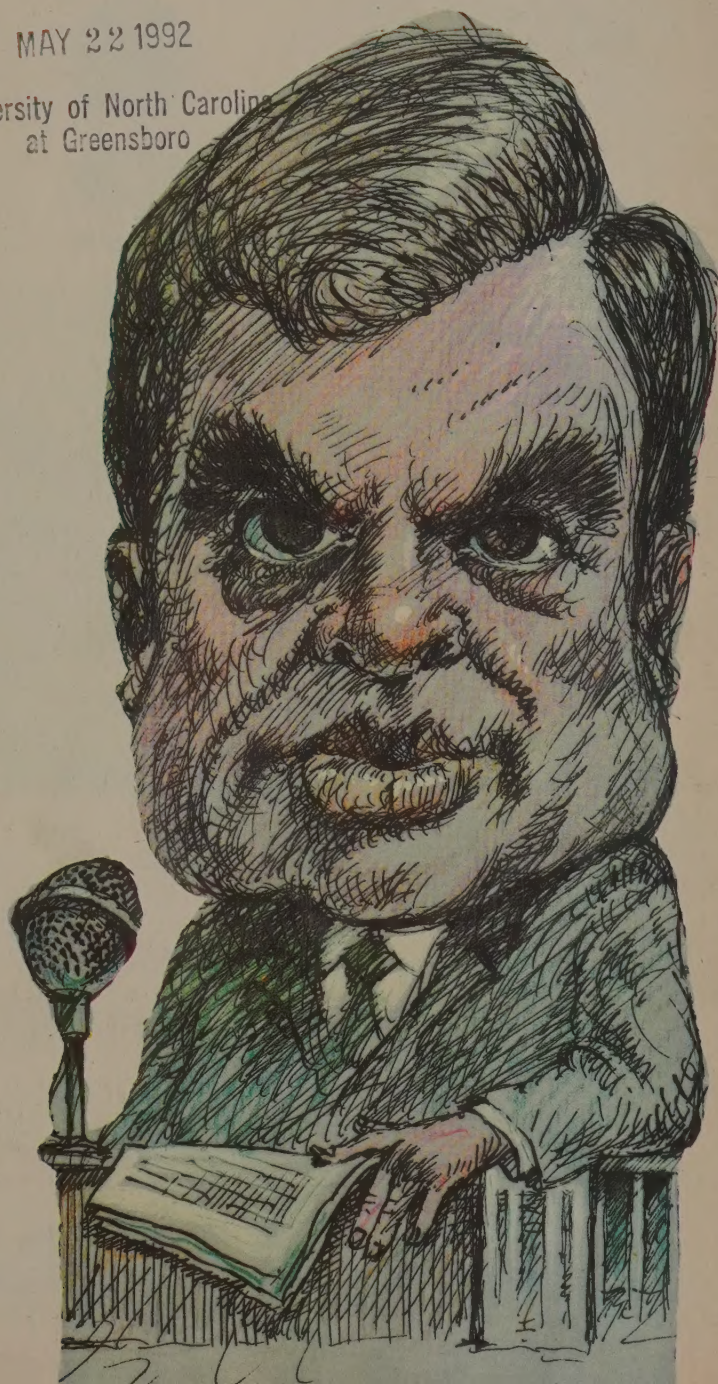
Ruslan
Khasbulatov

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Speaker
who
speaks
too much



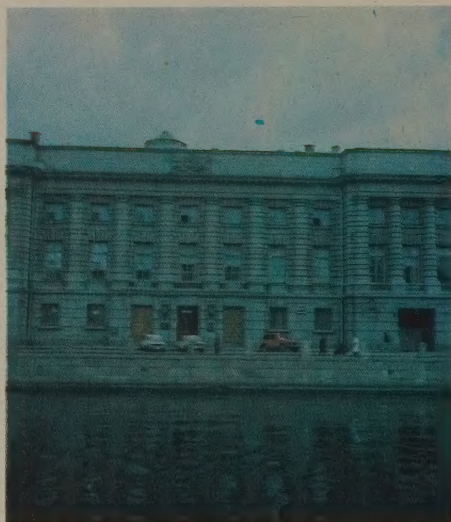
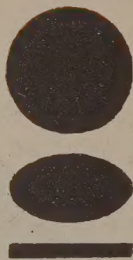
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Fleeing from paradise

Newspapers the world over are writing about the breakup of the Yugoslav and Soviet communist federations. People scatter in all directions, and everyone in his own way as was behested by Lenin. They are running away not from the union of nations, but from the communist and slave alliance. All those who can afford are fleeing because under communism people are denied everything. Royal privileges are enjoyed by those who are given the power to deny everything to everybody. These privileges are one of the basic causes which predetermined the breakup of this vicious political system. People are fleeing from the poverty of communist ideology and the economic poverty engendered by it. It took those idiotic communist theoreticians 75 years to understand this plain truth. How much time are they going to squander on *perestroika*? It is also a mere waste of time.

To build something new on the place where the outdated and useless exists, it is necessary first of all to remove all the remains of the old. A only partial restructuring in such a society as a communist one means yet another profanation intended for ignorance.

Nikolai Shatalov
New York, USA

When in Rome...

I am writing on the painful question of German autonomy. It is an exaggerated issue and at least not very serious. The idea of autonomy is a throwback from the times of striving for world revolution. I am not against Germans. Let them live where they want. They are accurate and diligent people, and we have something to learn from them. Let Germans, if they like, settle in together. Let there be German villages. But neither Germany nor Israel is in a hurry to establish a Russian autonomy, though Russians live there. America and Australia are not doing that either. Emigrating to Germany to live as an Uzbek there is as ab-

surd as living in Russia as a German.

Alexander Kolyadin
Rostov Region

Army troubles

It's true that the army did not support the August coup last year. But, if one is to be unbiased, a greater part of it did not support the democrats either. The army officers will give their backing to those whom they consider the real master of the country.

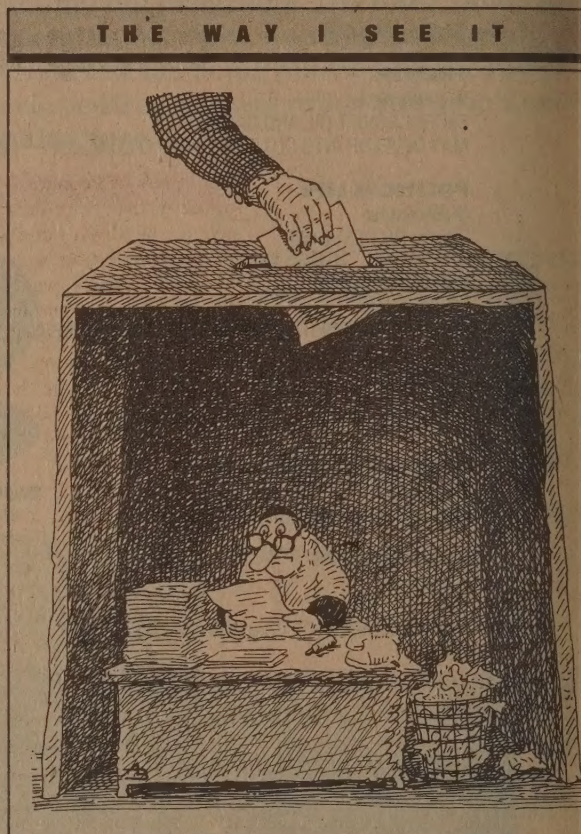
Valery Tsapkov,
major of the airborne troops
Lithuania

Our newspapers have lately written much about the troubles of the army. They have revealed that we still have a four-million-strong army (not yet reduced) and more tanks than the other countries taken together. At the same time we feel sorry for the servicemen whose living standard is now one fifth or one sixth of what it was before. The barracks are not good and there is no place to live especially for those who returned from Eastern Europe and the Baltic states. They do not want to return to the vast territories of Russia, where there is no land and dwelling for them. Isn't it a paradox? A vast country and no land. Who will have to build houses for servicemen - inhabitants from other planets? Let the robust fellows themselves get down to the work.

Maria Antonyuk
Ternopol Region

Problems - solved and created

Will Russia get reconciled to the loss of its traditional sphere of influence in Eastern Europe? Gorbachev had introduced *perestroika* not to destroy Russian empire in Eastern Europe, not to disintegrate Russia, but to reshape and restructure the Soviet economy. If Russia's and Ukraine's reconstruction of the economies is to be achieved, they will need peace in the region, they will have to remove the dominance of defence industries from



Drawing by Alexander Zudi

their economies and introduce consumer industries on a massive scale. They will have to replace dictatorship with democracy. Can this be done under tension, power rivalry and ethnic riots? Socialism will have to be replaced with capitalism. It is a stupendous task, which may require peaceful relations among the dominant powers in the region. The situation in the Soviet Commonwealth is likely to be like the one in the Indian subcontinent. Since the British had partitioned India into two sovereign states of India and Pakistan, both these countries have been struggling to live in peace with each other during the last nearly half a century. If the Commonwealth has solved the problem of dictatorship and Russian dominance, it has done it by creating an innately tension-ridden society for all its members. If it

has solved some problems, by doing so in a hurried and shortsighted manner, it has created many more.

Dr. J.A. Nal
Rohapur, India

The "Terminator" helps Bush

I was surprised to read about the discovery made by the author of the article "The 'Terminator' help Bush" (No. 9/92). Imagine, Arnold Schwarzenegger has a low forehead! I took about a dozen pictures of the actor and could not find a single one which would show him with a low forehead. Don't think that I am a fanatic admirer of the star but a journalist must answer for every word written by him.

S. Komko
Tomb

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Secret Soviet oil and gas battle may develop into outright world conflict

President Yeltsin's administration freed fuel prices before the end of the Congress of People's Deputies, which had forbidden that. Vice-Premier Yegor Gaidar, architect of Russia's market reforms, offered one incontrovertible argument, which is that Western creditors want oil prices raised. They hope that by turning to bicycle, Russia can export more fuels by cutting down on domestic consumption, in which case the government may have the money to foot the interest on the rapidly mounting external debt, which thus will at least allay creditor apprehensions.

However, experts are not satisfied. They believe the equalling of domestic and world oil and gas prices, to which there is still a long way to go, has only cleared fields for battling for ex-Soviet fuels. Indeed, everyone with clout in the world fuels market, from the Gulf oil emirs and Seven Sisters to petroleum speculators, who got rich on Soviet raw materials yet during the Brezhnev administration, are concerned today with the manner in which these fuels are integrated into the world economic turnover. Now they have to begin all over again. No wonder, as the old channels for pumping out resources closed after the collapse of the communist regime, that in the 1970s alone earned from \$260 billion to \$320 billion by dumping oil and gas at, for instance, between \$40 and \$50 per tonne of crude oil.

Not to say that old-timers in the field have lost heart completely. Taking advantage of old ties with CPSU *nomenklatura* dominating the Yeltsin administration, Czecho-Slovakia and Cuba wrested from the Russian government respectively 10 million and 6 million tonnes of crude oil for 1992. It is an open secret that actually this oil will be re-sold to third parties. In cahoots with dependable Western business sharks who, as a rule, maintain good contacts with local communist parties, Havana and Prague are profiting by the price scissors, which means they will get twice as much for the oil. Yet, this would appear to be internationalism's last victory. Today the governments of Russia and the other oil and gas extracting former Soviet republics look to totally different partners.

However one may look at it, they are linking up with OPEC and the Seven Sisters,

the two poles in today's fuels business, who though often at odds, know how to compromise when necessary. Their interests doubtlessly dovetail on the central issue, which is that the exploitation of the oil and gas deposits in the former USSR and fuels export must necessarily be rigidly controlled. Indeed, un-Okayed dumping on new markets, where others thus far have held undivided sway, threatens a Chernobyl effect. In all likelihood anyone collaborating with the post-communist regime who believe traffic in unrestorable resources the fastest money-earner will be in the saddle. However, such collaboration is going ahead but slowly, which experts believe is due to major Western and Eastern players having not yet agreed on the rules of the game.

Still this is already taking shape. Western politicians are not averse to Arab investment in Russian oil extraction, provided such investment will not go to areas with a dominant Moslem population. Washington fears the combination of oil and religion, a point that pro-Western Gulf rulers cannot but take into consideration. A civilized division of spheres of influence is in their interests also because only combined action will bar access to ex-Soviet oil and gas resources for Iran, which both the West and the wealthy Arabs still view with suspicion.

Otherwise, competition resembles a secret battle for a place under the sun, that is for their "own" region, their "own" oil fields, their "own" officials, who take the decisions needed, and, finally, their "own" politicians, who for the sake of the joint exploitation of the rich oil and gas deposits are prepared to champion the sovereignty of their respective republic, region, or area. This, hence, packs the situation with dynamite. Quite possible, therefore, is a threatening combination of parochial patriotism with alien oil interests, which implies in turn that the battle for the Soviet empire's legacies will be anything short of peaceful.



Vladimir Kulistikov

What, no results?

The pending government reshuffle shows that is not so

President Yeltsin is again face to face with the Russian parliament, as was the case prior to the Congress that he has taken in his stride as a natural calamity. Having reviewed the situation, he must have concluded that the losses were not that great and that they could be repaired. At any rate, his first post-Congress move was to decline the resignation tendered by the chief of his staff, Yuri Petrov, whose removal the democrats had so furiously demanded even before the Congress took place. When Petrov tendered his resignation, the Democratic Russia relaxed, unmindful that this resignation might not be accepted. The news media had already had their fun with Yeltsin's famous "I won't give Petrov up to you!" and were astounded now to see that the President had nonetheless "kept his word."

Still President Yeltsin will have to reorganize some aspects of his domain to please the "calamity." Yet, by improving its structures, he may transform them into a still more impregnable citadel. He currently has time till autumn, as the People's Deputies will scarcely crave to convene an emergency congress this summer, even should they be mightily displeased with the government. To meet demands to introduce experienced

industrialists, Yeltsin will most likely sacrifice Industry Minister Titkin, who, incidentally, was a very successful economic executive before. Which graphically demonstrates that managerial know-how at a state or even non-state enterprise still does not ensure success in ministerial office. As one will remember, Nikolai Ryzhkov had also been in his time a pretty good administrator of a mammoth plant. As far as one can judge, Titkin's portfolio will be split up into the three offices of defence, petrochemistry and metallurgy that will be taken by associates of Shumeiko, who himself will assume office as Vice-Premier for day-to-day economic administration.

One wonders whether the coming autumn congress will disparage or tolerate the "inflation" of presidential and governmental structures.

Dividing the responsibility

The initial government was created as a team of fellow-thinkers, ruled over by economy ideologues Gaidar, Shokhin and Aven. Will this government tolerate "alien" introductions? Will it not be paralyzed instead? Admittedly, Shumeiko's candidacy offers, perhaps, the happiest compromise.

Unlike his parliamentary colleagues, he has always paid respect to Gaidar and his team, not only as theorists, but also as practitioners. Also going by what he said in parliament and at the Congress, again unlike many of his colleagues there, he has a grasp of economic processes and may have a sufficiently educated idea of what is going on in the Russian economy. Actually, he talks the same language as Gaidar and his team.

Can government policy be amended without impeding reform? When the Congress was still agog over the reform resolution and the government was attempting to resign, in the corridors, parliamentarians related to macroeconomic matters, as, for instance, Parliamentary Budget and Price Committee Chairman Pochinok and the self-same Shumeiko stressed that they in effect did not disagree that much with the government but, on the contrary, thought quite efficient and adequate to cope with the present economic situation. They as resolutely averred that it was simply impossible to have the Congress debate such specific issues calling for detailed computation and analysis as savings bank deposits and cost-of-living adjustment, the raising of pensions and civil servant salaries, etc. It indeed impossible to forget Shumeiko's "what are you hollering about?" addressed to the People's Deputies when the declaration on the process of economic reform came up for discussion.

On the other hand, which is again a merit for most of the deputies Shumeiko is one of the crowd, their placeman, as it were. Initially, he was Khasbulatov's immediate aide, which means he should definitely enjoy their trust. By placing him in the government leadership, the deputies have shouldered part of the responsibility for economic reform which earlier had been President Yeltsin's sole burdensome prerogative.

Prolonged agony?

Today it is plain that the government will have to abandon its dream of a non-deficit budget. Gaidar failed to achieve that even during the first quarter of this year, when his cabinet was in full control. But now the



"Look to the left..."

Drawing by Marat Tairov



Gaidar went to Washington to assure the Big Seven that Russia's economic policy would stand fast

new ministers are there, men who will do what the Congress has bidden them to do, a non-deficit budget will be nothing more than a pipedream. As far as one can see, with Shumeiko now in the government, some unprofitable lines will again be subsidized out of the budget, while social benefits and salaries for civil servants will be backed up. The decline in production may be partly offset by the output of that "planned" produce, which nobody needed even before. However, economic restructuring and ruble stabilization will have to be put off for a time. The freeing of fuel prices is also postponed for the time being. Faced with the two evils of hyperinflation and unemployment, the government will apparently prefer the former.

Some economists observed long ago that hyperinflation should come first, and adulated sundry economic arguments to shore up this view. The trouble though is that the populace are not ready to accept either evil. Whatever the case, the government will be faced with an indignant population and angry deputies this coming autumn. Hyperinflation will exert a devastating impact on our, generally speaking, stable society. To live with an economy wherein prices gallop in the space of but one day is psychologically tremendously depressing, especially when one realizes that even the present high, though rather stable, price level has infuriated the bulk of the population. In the case of hyperinflation, monetary circulation will yield to feudal-type barter, furthermore facilitated by an already existing cash crisis that the future will aggravate.

Scarcely will this arouse any enthusiasm among our Western creditors, in which case all the sacrifice and the humiliation felt to negotiate the promised \$24 billion might be to no avail. Right after the Congress, Gaidar, who enjoys the West's confidence, rushed posthaste to Washington to explain things to the IMF. He allayed Western fears, as a result of which credit promises have been reaffirmed and recommendations have been somewhat attenuated.

Will the government manage to balance between hyperinflation and social outburst? If the range of subsidized enterprises is not that great, which is doubtful as a rush for subsidies will surely begin, and if, at the same time, unsubsidized unprofitable lines are modernized or sold, privatization and anti-monopoly measures are effected, then perhaps the road to a market economy will be longer but less painful. However, should the government fail to keep going that way, this will only prolong the agony, the economic coma and the "self-poisoning" of Russia's economy.

Tug-of-war

So who came out the winner after the Congress? Certainly not the deputies, as their fortnight of speechifying has scarcely induced constituents to feel enthusiastic. Definitely not the government, that over that same fortnight was banged face down on the table by deputies totally unmindful not only of the prestige of the executive, but even of their own image. Certainly not the speaker, who made several *faux pas*, thus too openly revealing his intentions. Nor can we say

President Yeltsin came out the winner, although his concluding statement was a rather happy one. Indeed, though he enunciated a programme of conciliation, still he towered above the entire bunch of deputies.

Spokesmen for the Russian Unity bloc are convinced that they gained a moral victory and that if an early election was called, they, the opposition, would be returned to power. This bloc demonstrated a classic ganging up between national patriots and Communists, with an exotic combination of Konstantinov, Goryacheva, Astafyev and Isakov, that is, of a Christian Democrat, Communist and Constitutional Democrat, plus an unknown quantity. Their confidence that this combination greatly appeals to the electorate appears to have no leg to stand upon. They have not offered any positive programme insofar as plans to restore the USSR and all resistance to mention of the USSR being deleted from the Russian Constitution will scarcely be seen as realistic. The mountain of passion failed even to bring forth a mouse.

Rutskoi's Free Russia party opines that the Congress discharged its duty by getting the government to heed the *vox populi* and by compelling the President and reform cabinet to make concessions.

But Ivan Laptev, former chairman of the Soviet of the Union of the USSR Supreme Soviet, who is closely associated with Rutskoi's party, is decidedly cool, maintaining that by gaining the right to endorse ministers, the deputies won merely a Pyrrhic victory. He well remembers how matters went in the USSR parliament, when the months thus wasted had no effect on ministerial "quality," while wrangles merely reflected the political interests of one or another group of deputies.

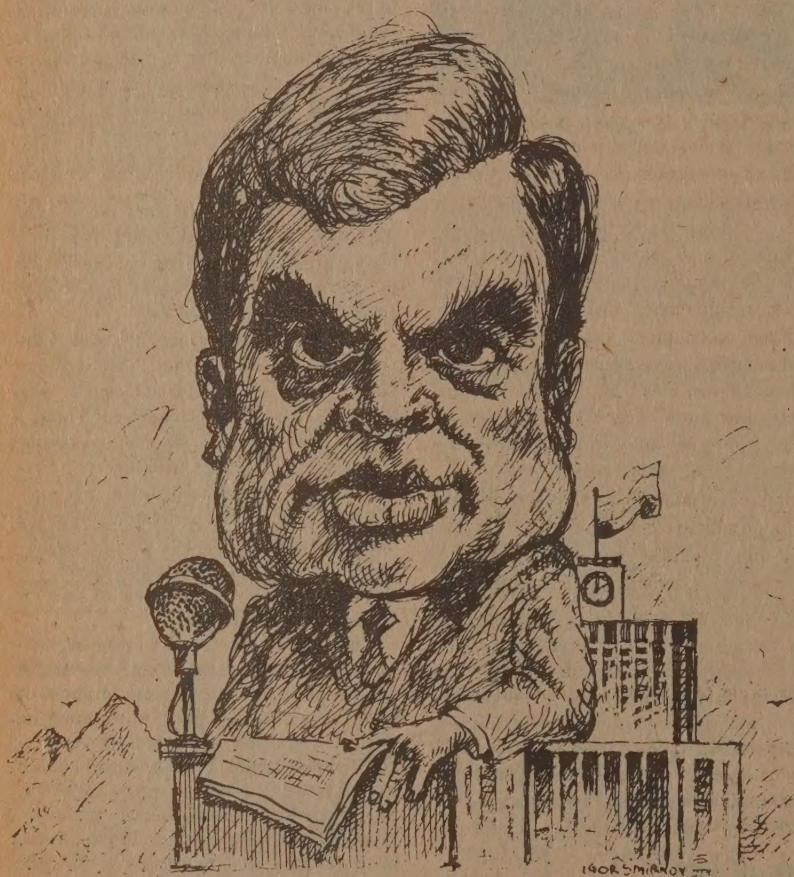
Absorbed by the political intriguing between the Russian parliamentary leadership and the government, we seem forgetful of what Lenin once said. Not always wrong, he once observed that politics was the continuation of economics. Hence, winners at the Congress were those for whom subsidies, the procedures and schedules for privatization and tax easing are vital. Implied is the state industry and monopoly lobby, the most powerful of all pressure groups that comprised the Industrial Alliance, the Agrarian Alliance, and the Change — A New Policy factions whose initial objective was not to secure the government's resignation, but to channel its policy where they needed, and to have inducted into the government the men they needed. That they have achieved.

It remains for autumn to show what this will spell for all others.

Marina Shakina

Khasbulatov in the limelight of the Congress

One of the highlights of the past Congress was connected with the personality of the Chairman of Russia's Supreme Soviet



Drawing by Igor Smirnov

Long before April 5, analysts said that nobody wanted the Congress but him. Indeed, it was "his" Congress. Ruslan Khasbulatov played the lead with gusto, without bothering much to conceal neither his determination to decide the outcome of the game in his favour, nor his enjoyment of the fun of

it. He lustily chastised the government, controlled the course of the discussion, manipulated deputies... Against the background of the silent President, the Speaker's arrogance and thirst for self-assertion stood out in sharp relief. At times, Chairman of the Supreme Soviet lost all sense of measure but just couldn't

stop and pull himself together. Ruslan Khasbulatov's nerves often gave out. In contrast with him, State Secretary Genadiy Burbulis, the main target of the Speaker's caustic remarks, showed self-control, setting off the mercurial Khasbulatov to the latter's disadvantage. The President and the State Secretary reaffirmed the truth of the saying that there is no wisdom like silence, which applies to politicians first and foremost... Judging by everything, though, the Speaker regretted some of his more revealing statements.

A war of nerves

What was the Chairman of the Supreme Soviet after at the Sixth Congress? This was the first Congress at which Khasbulatov was to have wielded full control with all the experience he had amassed as the Speaker of Parliament. There are many indications that since the moment of his being elected to the post he intended to be in opposition — not to the President, of course, but to his government and his team. Not that Khasbulatov was against the policy of reform; the Speaker just wanted to impress on others that he was a figure in his own right, and this end justified any means.

The talk about price liberalization in the first step towards reform had begun long ago and Khasbulatov was among those who initiated, of course. As he toured the country two weeks after the liberalization of prices, the Chairman of the Supreme Soviet — a scientist holding a doctor's degree in economics and, by then, a Corresponding Member of the Academy of Sciences — showed utter surprise at the sight of a sausage price tag which said "100 rubles a kilo," and levelled sharp criticism against the government. Later, Ruslan Khasbulatov tried to cushion the blow by saying that his criticism was natural and well-wishing... Nevertheless, his tactics became clear — he intended to cash in on the reform cabinet's unpopular moves. Reform cabinets are short-lived, and Khasbulatov the economist certainly knew from foreign experience. So what was wrong about the Speaker taking

advantage of our objective reality and scoring a point or two in popularity?

As the Congress drew near, the Speaker's intentions became increasingly clear: he tried to strike a bargain with the President (that looked more like a blackmail attempt) over adopting a new constitution in exchange for waiving premiership and extra powers. In line with this he distributed "material for economic discussion" on the eve of the Congress and told a press conference that in accordance with the classical laws of democracy legislative power was always in opposition to executive power. There is every indication that Khasbulatov regards his relationship with the government — and with the President, for that matter — as a personal rivalry.

An economist, a lawyer, a journalist...

Ruslan Khasbulatov's jealousy of anyone standing out a little on the flat political landscape — especially successful or simply notable economists who came to the fore over the past few years — manifested itself long ago. Grigory Yavlinsky, the author of the 500 Days programme, fell the first victim. Khasbulatov disparaged — if not abused — all those who had anything at all to do with Russia's economic policy — Gaidar and his "boys," Gavril Popov. Sergei Shakhrai, Khasbulatov's former rival in the election of Supreme Soviet Chairman, senses the Speaker's jealousy all the time (after all, Ruslan Khasbulatov is a lawyer. "You seem to have forgotten, dear deputies, that your Chairman is a lawyer, too," he would say.). Similar remarks addressed to the press indicate that Ruslan Khasbulatov has not fulfilled his ambitions in the spheres of journalism and writing. But, he has fulfilled them — he founded the *Rossiia* newspaper, contributed articles to Moscow newspapers, finds the time to write books at the rate of one book in six months — yet he thinks he has not been given justice as a talented and distinctive journalist. Hence his grumbling at the "fourth power": "You are no power at all..."

By the Sixth Congress, Ruslan Khasbulatov had tamed parliament. There was a time when, after a series of votes, the deputies never ventured to entrust the post of Supreme Soviet Chairman to Khasbulatov. In a dramatic contest bet-

ween Ruslan Khasbulatov, a democrat, and Sergei Baburin, a Communist nominee, the two finished "neck in neck," none winning 51 percent of the vote. Today Sergei Baburin backs the Speaker.

A big shot from Moscow

At the time he was elected a People's Deputy of the Russian Federation from the Grozny national territorial district, Ruslan Khasbulatov was an ordinary professor of Moscow's Plekhanov Institute of National Economy, a graduate of the Moscow University's Law School. Upon graduating from Moscow University's Law School, he worked as an instructor of the Central Committee of the Young Communist League for a few years, went through a post-graduate course, and got his Doctor's degree in economics as an expert in the Canadian economy which qualified him for professorship. In short, his was a typical career of a stagnation-period social scientist. Trips abroad, engagements to teach foreign students, a prestigious speciality — foreign economy... Incidentally, Ruslan Khasbulatov's colleagues are divided on the matter of how high the standard of his economic knowledge is but agree on one thing: he is not an outstanding economist. Some say he is mediocre, while others compliment him for having arrived at certain progressive economic ideas — such as describing the state-monopoly character of the Soviet economy — in the adverse conditions of late stagnation and early *perestroika*.

Be that as it may, Ruslan Khasbulatov is the pride of his Chechen compatriots (he was born in Grozny in 1942 and spent his youth in Kazakhstan). He was a "big shot" to be looked up to and boasted about.

His candidature for a People's Deputy was put forward by the Grozny University. The programme the would-be Speaker submitted to his electorate was, on the whole, of a local nature: he suggested ways to balance the Republic's economy, to develop new industries, to make the city of Grozny economically self-supporting.

Khasbulatov was active in his own election campaign, made many speeches (which were most convincing, witness accounts say) and defeated his rival — Second Secretary of the Regional Committee of the CPSU — the hard way.

At home, Khasbulatov had his compatriots' support, but at the Supreme Soviet he found himself almost a total stranger. He had no connections with the leadership of the Democratic Russia party and hadn't gone through the school of the USSR Supreme Soviet. Strangely, that was precisely what helped him along in his political career.

When Boris Yeltsin was finally elected Chairman of the Supreme Soviet of the Russian Federation after several rounds of voting by a majority of four, he and his Democratic Russia supporters, dazed slightly by that not quite expected victory, were faced with the problem of deputies. At those times the leaders of the Democratic Russia faction were full of all sorts of populist political ideas, one of them being that Yeltsin's first deputy was to represent one of Russia's national autonomies.

The participants of the First Congress were barely acquainted. Ramazan Abdulatipov, for example, was a well-known and authoritative figure whom most autonomies and Communists would have voted for without hesitation, but he was on the staff of the CPSU Central Committee and, consequently, did not suit Yeltsin. Candidates for deputy were selected almost at random, Yeltsin suggested two men, but the Congress turned them down.

As the candidates were screened in a second round of voting, Khasbulatov's name popped up. What did the democrats go by? Chiefly by the results of nominal votes. Khasbulatov's showing was good, in their opinion; besides, he hadn't antagonized the Communists in any way as yet. There was no electronic vote counting equipment then, and the Congress participants were already sick and tired of filling up the bulletins. It was then that Khasbulatov's candidature was put to the vote — and accepted.

"I was among those who suggested Ruslan Khasbulatov to Yeltsin as his deputy," one of the democrats, still remaining such, recalls. "Do I repent this? Not at all. He was an ideal first deputy, very efficient. Later it became clear that he was no good as a statesman in his own right because of some of his personal character traits. At the Fifth Congress, when we were electing Chairman of the Supreme Soviet to replace Yeltsin who had become President, I already voted against Khasbulatov."

Quite a few democrats had got disappointed in Khasbulatov by the Fifth Congress, but they could no longer offer an equivalent replacement for him from their own ranks.

The Extraordinary March Congress at which he alone confronted six Yeltsin's deputies and heads of Chambers who had published an anti-Yeltsin letter in *Pravda*, made Khasbulatov a hero of the democrats and their supporters all over Russia.

Today some unbiased observers of those events point out that Khasbulatov was by no means alone to confront the six in the Presidium of the Supreme Soviet. They also recall that during the elections of the Chairman of the Supreme Soviet Boris Yeltsin never mentioned Khasbulatov which the deputies and their electors had expected him to do. He was to have named Khasbulatov but he never did.

Is it worth trying to re-educate a man of fifty?

Before the Fifth Congress at which Khasbulatov was elected Chairman of the Supreme Soviet of the Russian Federation there occurred another event — the August putsch attempt during which Khasbulatov, as those who watched him at close range say, behaved impeccably. After they had won a moral victory over the putschists, over the CPSU and the USSR, the democrats and all the leaders of Russia gained markedly in self-respect.

Khasbulatov's peculiar personal qualities began to show early in his political career; it was impossible to conceal them and, as a matter of fact, he didn't even try to do that. His co-workers say that those qualities are innate, not affected. Rudeness, arrogance, lack of restraint, haughtiness, disdain or even contempt for others, which manifests itself in Khasbulatov's words and actions, are so much part of his nature that at times he does not understand or sense that he goes too far, those who know him well say. "I was perplexed at first until I finally realized that those were his inalienable character traits," one of the People's Deputies confessed to me. "It makes no sense to try and re-educate a fifty-year-old man."

This is not quite so, others argue, he is perfectly well aware of what he does, and the episode involving Svetlana Goryacheva is a case in point. A native speaker of Russian, he could not but realize that the phrase "I haven't used Svetlana Petrovna in any way" sounded downright indecent. The deputies were outraged, and Khasbulatov had to

apologize to Goryacheva demonstrating another of his qualities — the instinct of self-preservation. The instinct helps the Speaker out every time he feels he has "overdone it" and will be given no escape.

Another example of this kind is Khasbulatov's phrase, "The boys have got confused," which referred to the government. The statement caused an outburst of indignation in the hall. Having left the hall of the Grand Kremlin Palace with a crowd of deputies booing, screaming and catcalling into their microphones, Khasbulatov turned up in a TV studio after a while to apologize for the "boys." That saved him from a public scene on the following day of the Congress.

Low as the standard of political culture is in our country, Ruslan Khasbulatov is pushing it further down. Many agree that a politician worth his salt should get his rivals out of the way by any means. So the Speaker's aggressiveness is not to be surprised at. Admittedly, during the Communist rule we admired the dashing manner in which Ruslan Khasbulatov "unhorsed" some of Polozkov's men.

What rank permits and what it doesn't

Speaking of Khasbulatov, those having to do with psychology use terms like "superman complex" and "megalomania." The Speaker of Parliament, they say, believes he is head and shoulder above all the others. Hence "those worms" — about the government (we have already mentioned Khasbulatov's jealousy of other economists); hence pulling rank on Gaidar ("I deal with him through my aid"); hence "we'll send Popov, Yavlinsky and the rest of them packing if they misbehave." Remarks like those were long taken as kind of humorous. The first time Khasbulatov permitted himself to slight Yavlinsky, the economist popular in the West, many regarded that as symptom of the "Japanese syndrome."

It has long been noted that after a trip to Japan an ordinary Soviet politician — let alone a man in the street — often begins to talk and act as if he has been to the moon and back after seeing Japanese hi-tech reality. The Chairman of the Supreme Soviet just cannot help asserting himself in a manner which is insulting to others and doesn't do him credit.

On a number of occasions Ruslan Khasbulatov has been caught lying. The latest two examples are the *La Repubblica* interview in which he called the members of government "worms" (typically, Khas-

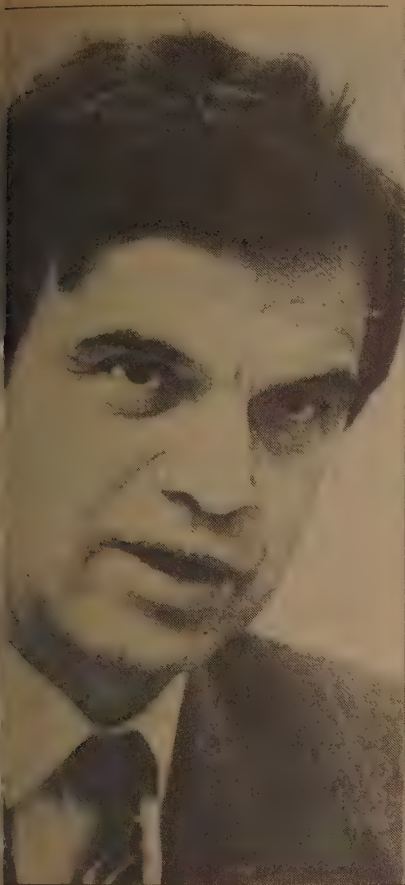
bulatov denies this fact which is evidenced by a tape recording of the interview), and the so-called "material for discussion" distributed on the eve of the Congress and according to the Speaker, compiled in cooperation with Petrakov, Yavlinsky and Shatalin (which was news to them). In any civilized country incidents like those would compel a politician to resign. Not here, though.

Neither were the deputies impressed by the scandalous affair of Chechens being expelled from Moscow hotels on Khasbulatov's instructions and under his personal supervision. The Speaker who considers it beneath his dignity to talk with Vice-Premier Yegor Gaidar has summoned to his office ... the managers of Moscow hotels in order to explain to them who qualified for hotel accommodation and who didn't.

A coalition for survival

Following the putsch attempt and the disappearance of the CPSU from the political scene, about two thirds of the People's Deputies of Russia who were connected with the Party in some way or other — belonged to the Party elite (secretaries of the district, regional and local Party committees), to the so-called economic management cadre (collective farm chairmen, state farm and factory directors), were professional Komsomols or in the front ranks of production and got to the Kremlin thanks to their connections with the former Party and government leaders — those two thirds found themselves kind of suspended in midair. The record of the previous Union Congress showed that the future of the People's Deputies of Russia was also dim. The democrats' tactical error — the talk that the Congress had got out of date, that it had to be dissolved and re-elected — also played into the conservative deputies' hands...

Now it is clear that two thirds of the Deputies will forgive Ruslan Khasbulatov anything if he only protects them and sees them through their constitutional term of office which expires in 1995. Some of the democrats also think that it is not the time now to "overthrow" the Speaker because he does have a certain positive role to play and can, sometimes, talk the People's Deputies into making progressive decisions. There is no telling what kind of person will replace Khasbulatov if the latter is forced to resign; at any rate Khasbulatov is loyal to Yeltsin and is reform-minded. Under no circumstances should the present precarious balance be



Ruslan Khasbulatov wants to look like a respectable politician, but his temperament gets in his way

Photos by A. Mukarov and V. Zharon

tween legislative and executive powers be upset, they say. For the same reasons they "protect" the President, too.

Other democrats are convinced that by his unpredictability and his escapades Khasbulatov does moral and material damage to the reputation of the Russian parliament in the country and abroad. Radicals are going to bring the Chairman of the Supreme Soviet before the Constitutional Court on charges of violations of the Constitution and abuses of power.

Some bridges burned

The "patriots" constitute another group of Congress deputies displeased with the Speaker. They have repeatedly accused Khasbulatov of manipulating deputies. Unlike the democrats, the "patriots" are certain that Khasbulatov is playing a cunning pro-Yeltsin and pro-government game. Is that true?

It would be rather too much to suspect Khasbulatov of playing a pro-Yeltsin game. The manner in which he demonstrates his

loyalty to and respect for the President ("Boris Nikolayevich and I...") rather indicates his eagerness to stake out a claim to No. 2 position in the country.

It would be only part true to say that Khasbulatov is playing a principled pro-parliament game; as a matter of fact he is, but only so far as this game suits his personal interests at this juncture. Some observant deputies maintain that judging by everything, Khasbulatov, who thinks no small beer of himself as a scientist and a statesman, cherishes an ambition to become Prime Minister, and if such an opportunity presents itself he will abandon the sinking Congress in a hurry.

Ruslan Khasbulatov took an active part in imposing a state of emergency on Chechen (leaving it to the Vice-President to take the consequences); he tried to expel Chechens from Moscow hotels and made a contemptuous remark about General Dudayev. All this goes to show that Ruslan Khasbulatov has been compelled to burn some bridges.

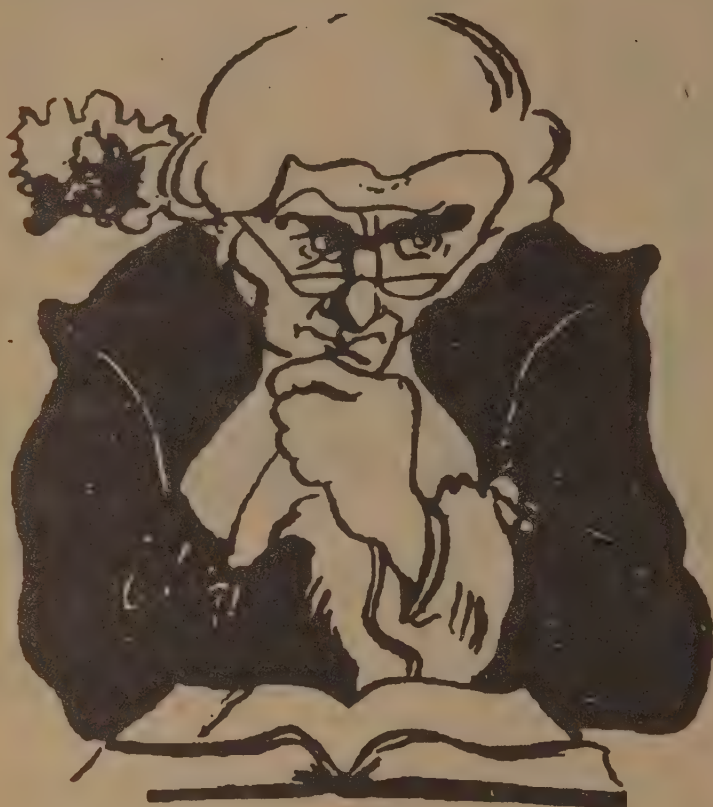
Khasbulatov must be obsessed with the

idea that as an influential statesman he has to flex his muscles all the time. Was that why he called for tough action with regard to Chechen? Naturally, in order to ward off suspicions of upholding nationalist interests, Khasbulatov has to be a Moscow rather than a Grozny politician — more of a Moscow politician, in fact, than all the other Kremlin leaders taken together. Besides, knowing Khasbulatov it is easy to presume that the Dudayev phenomenon could not but arouse his jealousy...

The worsened relationships with his homeland must have disconcerted Khasbulatov because traditional family and clan links mean a great deal to a Chechen. The fact that Chechen has recalled its deputies from the Russian parliament also causes him a nervous strain, presumably. The papers keep reminding him about that. Nevertheless, rather than rule the roost at home Khasbulatov prefers to be No. 2 man in the capital of Russia. For the time being...

Marina Shakina

Family Attorney



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Lt. Gen. Kozlovsky, who was appointed defence minister of Belarus (Byelorussia), sees a reduction of the republic's armed forces as his main task. Today Belarus has one serviceman for every 43 citizens. This is considerably more than in Russia, Ukraine and Kazakhstan. Having declared itself a non-nuclear neutral state, Belarus intends to keep not more than a 90,000-strong army, including land troops, air force and anti-aircraft defence units.

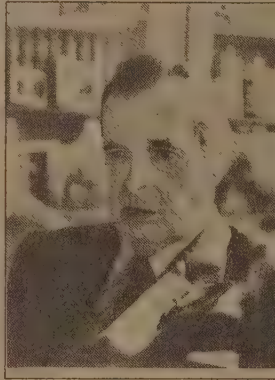
The Ukrainian parliament has adopted at the first reading a law on the division of powers between Kiev and the Crimea. In the opinion of its authors, the powers transferred to the Crimea are wider than the powers exercised by states in the USA or land parliaments in the Federal Republic of Germany.

The Tajik parliament has met the demands of an almost month-long demonstration held in front of the parliament's building. But this has not ended the confrontation in the republic's capital Dushanbe. The situation grew tense again after Speaker S. Kenjayev, who resigned at the urgent request of the opposition, had been appointed chairman of the National Security Committee. The demonstrators, both advocates and opponents of the movement along the road of democratic reforms, have put up tent camps in the two main squares of the city.

No sooner had the foreign ministers of Russia, Ukraine, Moldova and Romania ended their talks on a peaceful settlement of the conflict over the Dniester republic in Kishinev than a ceasefire agreement was grossly violated in the area of Bendery and Dubossary. The exchange of fire was the most fierce since April 7, when Moldova's President Snegur declared a state of emergency on the entire territory of the republic.

According to the information from Tiraspol, Cossacks are leaving the area of fighting.

However, Ukrainian nationalists are preparing to arrive in Tiraspol instead of them. The Ukrainian national assembly is against the participation of Romania and Russia in the talks. In its opinion they should be held only between Ukraine, Moldova and the Dniester republic.



Grand Prince Vladimir Kirilovich Romanov, the heir to the Russian throne, has died at the age of 74 in Miami, Florida. The Russian leadership has sent messages of sincere condolences to his relatives. The St. Petersburg authorities have given permission to bury the Grand Prince beside his ancestors in the Peter and Paul Cathedral of the city.

Georgia has been admitted to the International Monetary Fund and must make a contribution of 72 million dollars. After that it can receive credits exceeding this sum 400 times.

Argün.Ospay, Turkish ambassador to Kazakhstan, has presented his credentials to President Nazarbayev. During an exchange of protocol compliments Argün said that he took part in such an honourable procedure as an ambassador for the first time. In reply, Nazarbayev admitted that he also took part in such a procedure for the first time.

Bashkiria, now officially called Bashkortostan, is to set up its trade mission in Vienna. Austria has accepted the proposal for concluding a bilateral economic agreement. Hungary has already opened its trade office in Ufa. The desire to sign similar agreements with the republic has been expressed by Czechoslovakia, Bulgaria, a number of states of the USA, Canadian provinces and lands of the Federal Republic of Germany. Rafil Garifullin, chairman of Bashkortostan's state committee for foreign economic ties, said that his republic's activity in the world market is explained by the unwillingness of Russian representatives to get rid of the old habit of politicizing economic matters.

According to recently published statistics, Russia's defence expenditure in the first quarter of this year made up 55 percent of the budget revenue. This is two times higher than expenditure on the economy and three times higher than allocations for social needs.

Ukraine is going to be a space power. The giant carrier rockets assembled in the republic are its property, Ukrainian Foreign Minister Anatoly Zlenko said, and the government has enough ideas for using them.

A preliminary censorship of the mass media has been introduced in Grozny. The free dissemination of information is restricted "in the interests of maintaining political stability for the period of emergency." During the investigation of the coup attempt the activity of the mass media, whose involvement in the attempt is being cleared up, will be suspended.

Crown Prince Frederik of Denmark has arrived in Riga as a student to collect material about Latvia's foreign policy. Reporting the news, local newspapers hinted to Riga girls that the prince is not yet married.



Estonia is still in the grip of an economic crisis. A shortage of bread is not a rarity

A big game in a little house of cards

**The first two-hour
warning strike**

in Narva.

That is how

**the Russian-speaking
population of**

the north-eastern

region of Estonia

tries to defend

its civil

rights

A law has been passed allowing only the citizens of Estonia to vote, while a significant part of the non-indigenous population, i.e., the Russian-speaking inhabitants, don't have any civil rights any longer.

Dual power

The elections to the State Assembly, which is to replace the Supreme Soviet, will take place this summer. And it is easy to understand the concern of the Russian-speaking community. They realize that now, with the new Law on Citizenship passed, there will be no one in the Estonian supreme legislature to express their interests or defend them. The Russian Democratic Movement was not even allowed to register. However, the parliamentarians, sensing election day is upon them, evidently feel it more

important to show themselves to be steadfast fighters against the "eastern enemy" than seek and find allies in the Russian-speaking community. This is due to the fact that the Congress of Estonia, in which the National Radicals are setting the tone, is gaining more and more power. They make up more than a third of the deputies in parliament, and they are also numerous in the ministries and in the local administration. Therefore the Supreme Soviet has to constantly look to the Congress, and yields its time and again. So the Congress easily hands down ultimatums to the parliament at which there are only discussions and decisions made.

Behind the scenes, each camp is preparing its plan to bridge the chasm, which keeps deepening in the meanwhile. The situation of dual power is fraught with the danger of anarchy, which together with the de-



economic crisis can bring about a social explosion. It will be all the more destructive, since the Estonian politicians so far may count more on the moral support of various international organizations (humanitarian aid from the outside isn't able to patch up the local economic holes) and on the political unity of the neighbouring Baltic states. However, economic competition between the Baltic states can already be felt, while the Western partners are not hurrying with substantial financial injections because of the unstable governments and policies.

The Narva-River republic?

Therefore the Russian-speaking population has some very gloomy forebodings. Article 56 of the draft of the Estonian Constitution reads:

"The law can limit foreign citizens' or stateless persons' freedom of political activity and the right to belong to certain unions, the right to choose one's sphere of activity, place of work and profession, the right to be an entrepreneur and join societies having the goal of making a profit, the right to acquire certain kinds of property, the right to state aid and the right to receive information."

It is clear that all these limitations are addressed to those very Russian-speaking inhabitants who for the most part only a year ago voted for the sovereignty of Estonia, supporting the democratic initiatives there. Now, overnight they have become foreigners or the stateless people, people without citizenship, and they are disappointed.

This is especially characteristic of the north-eastern region, where the bulk of the Russian-speaking population lives, where the energy and fuel centres of the republic are concentrated, where highly-skilled specialists work in the machine-building industry, and where the largest enterprise in Estonia, Kränholm Manufacture, is now living hand-to-mouth. And there are calls from the city of Narva to cut out the knife switches of the electric plants and force the legislature in Tallinn to reckon with "those ill-fated migrants." The threat is more than real. The Narva trade unions have already threatened to strike, and the Speaker Ülo Nugis is gravely concerned about the idea of creating a Narva-River republic. Bearing in mind that Estonians don't even make up 10 percent of the population in Narva, the situation becomes paradoxical: more than 90 percent of the population that lives in the Estonian town are not citizens of Estonia. Moreover, their national dignity has been offended, and their economic and social rights infringed. With their backs against the wall, the proletariat of the north-eastern region may remember about their single weapon of self-defence and really go ahead and flick the switch... It's to be expected that the Russian-speaking comrades in misfortune in other regions of the republic will unite with the Narvians. There is only a slim hope that Article 56 won't be passed by parliament and become law, or that it will at least be substantially watered down. True, for that to happen, the members of cabinet and parliament would have to openly oppose the Congress of Estonia, to upset the balance of dual power so advantageous to the populists and possibly lose the chance to be reelected to parliament, i.e., the State Assembly...

The most important factor here is Russia, its attitude to what is happening on its north-western border.

The power of law in a "country of contacts"

Estonia was the first to set up border and customs barriers. Since the moment the government cabinet was headed by Tiit Vähi, the political course has changed, and Estonia starting May 1, 1992, will open its borders to free trade and travel between Baltic states. The Prime Minister told me:

"We would like to go over to free trade with Russia too. The Russian government took the first step by lifting the tax on goods for our republic. The strengthening of Estonia's sovereignty must not be through isolation. I just can't agree with the idea of turning Estonia into a *cordon sanitaire*, separating Russia from the West. Against the background of the economic reforms and the democratic processes in society which are taking place in Russia now, this bipolarism is reactionary. I think that those who want to turn Estonia into a 'curtain' between the East and the West underestimate the danger to us in that case: the 'curtain' can easily be gone around. Therefore the government has just adopted a special document, in which the republic is not proclaimed a bastion, but a 'country of contacts.' That's mainly why we are carrying out the reforms. They must strengthen the independence of Estonia and significantly raise the quality of life of its residents irrespective of their nationality."

"However, the reforms are not likely to be a success if there is no concord among citizens. Interethnic relations in the republic are very strained, aren't they?"

"Let's finally acknowledge that Estonia was occupied in 1940. But let's also acknowledge that it was occupied by the Stalin regime, and not blame the people who live here now for his crimes. They haven't occupied anything, and therefore they are not occupiers or colonizers. Just the opposite, many of them suffered under Stalin... It should also be remembered that among the Russian-speaking community there are people who have long shared the aspirations of the Estonians and helped Estonia become an independent state. Independent and democratic. Certainly, these people want and have the right to be citizens of Estonia. The government also feels that they should be given this opportunity as soon as possible."

"But a person who, in the opinion of the Congress of Estonia, for example, is unworthy of the 'Order of Citizens of Estonia,' may be considered a necessary member of the 'order' by one of the factions, say, the centrists?"

"There is an objective reason: many of the Russian-speaking population have already put in an application to receive citizenship. That means they are con-

firmed patriots of Estonia. However, there is a second group of people — those who so far have not made a decision — they are waiting to see how the processes in Estonia and Russia will develop. Maybe they'll take Estonian citizenship, maybe they'll remain Russian citizens and will live in Estonia as before, and maybe they'll leave and go home to their native country. They need time. We have asked our agencies to quickly determine the legal status of everyone who intends to remain here, having, for example, a Russian passport. It is very important that they have all civil rights and the right to own property (except, possibly, the right to own land. But this is no big thing, for even native Estonians haven't that right yet). And there is a third group — people who lived here peacefully when Estonia was part of the USSR, but don't want to remain in a country that is now foreign. However, it is difficult for them to leave: there is not enough money for them to reestablish themselves in a new place. In order to lighten their fate, a remigration fund will have to be set up. In spite of all our poverty, we are ready to put money up for this from those funds which are now frozen in Moscow (2.2 billion rubles

of ours are there) and from the funds of enterprises (20 million dollars). We will promise not to spend these sums on the needs of Estonia itself. And the housing vacated by these people can be bought from them. Maybe Russia and Germany and even other states in Europe and the CIS would like to make a contribution. For those who want to receive Estonian citizenship the state must provide the necessary conditions, especially for learning the state (Estonian) language as quickly as possible. I personally think that such measures will help relieve the tension and the whole society will advance."

"Some important politicians have stated openly that they wish to kick the majority of non-native inhabitants out of Estonia. They are for the creation of a monoethnic state... How do you feel about that, Mr Prime Minister?"

"The Estonian people themselves have experienced deportation, and it must not be repeated. So no one has the right to drive out these so-called 'aliens.' It is only possible to speak about control over the complex and painful processes of immigration and remigration."

Meri retires

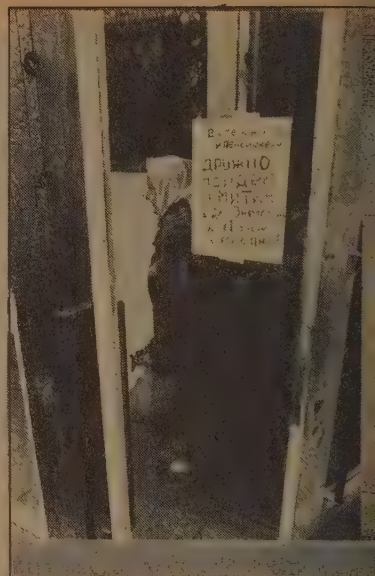
The declaration made by the then Minister of Foreign Affairs of Estonia, Lennart Meri, in the lobby of the Conference of the Council of the Baltic Sea States, held on March 5-6 in Copenhagen, about the necessity of turning the republic into a *cordon sanitaire* (NT 12/92) shielding the West from the consequences of the USSR's disintegration was badly received in Tallinn.

The papers remind us of other instances of Meri being too frank and hurting the mutually beneficial ties between Russia and Estonia. Meri's explanation that his words "weren't interpreted correctly" wasn't taken seriously. There are hints not only about his passion for being too straightforward, but for liquor.

The new Minister of Foreign Affairs of Estonia, Jaan Manitski, a Swedish citizen, thinks the problems inherited from the disintegration of the USSR should be solved in the spirit of good-neighbourly cooperation. That approach is supported in the North European countries whose leaders have expressed dissatisfaction with the style of Meri and other Baltic advocates of an anti-Russian course. In Stockholm, for example, they can understand the desire of Manitski to take into consideration the Swedes' concern over the Baltics' charted course of infringement on the rights of the non-native population.

The correction of the foreign policy of Estonia, evidenced by its ceasing to make nasty charges against Russia, doesn't mean that it has given up its traditional position in regards to the withdrawal of Soviet troops from Estonia. But the revision of the "revolutionary style" of the period when Estonia was fighting for its independence will continue, both in connection with the internal consolidation in the republic and because of the difficult economic situation. The latter requires that relations with Russia be immediately improved, for in the foreseeable future Russia will remain the most important economic partner.

Alexander Pplyukhov,
New Times correspondent
STOCKHOLM



In the Russian-speaking cities of Narva, Sillamäe, Kohtla-Järve, the idea of a Narva River republic is becoming more and more popular

Will the Russian card become a trump?

The outcome of the political battle will so much depend on the upcoming elections as on whom the Russian-speaking community sides with. Even though deprived of a citizen's rights and not having their own representatives at the State Assembly, they still have decisive influence on the state of the economy.

Now the community is shattered. It still remembers the repressions which befell its leaders after the August coup in Moscow. It is still confused due to the loss of traditional reference points. But tomorrow could rally, and determined leaders appear. Their opposition could become a real threat, first of all, to the economic reforms, and then spill over into the sphere of politics.

Evidently, the majority of the Russian-speaking population won't leave Estonia. That means some of these Russian residents in Estonia will voluntarily and necessarily be assimilated, a few will emigrate (perhaps to Argentina, but most of them to Russia), some will form a "fifth column" of Russian conservatism in Estonia. All this will kindle new hotbeds of tension in the relations between Estonia and the Russian Federation — that is, Moscow tends to show little interest in human rights on the Estonian shores and the Gulf of Finland.

Mark Levi
TALLINN

Baltic states: a bridge or a barrier?

Lithuania, Latvia and Estonia are now experiencing a sort of a post-narcotic state. The euphoria, generated by the winning of independence, is passing. They acquired independence as unexpectedly as Russia gained democracy after the failure of the August coup in Moscow last year. It turned out, however, that it is much easier to achieve independence than to cope with it. The alluring prospects of the free Baltic republics turning into a natural bridge between the West and Russia seem to become a mirage behind which storm clouds are already gathering. Several reasons can be mentioned here. One of them, and not least in importance, is the position of the Russian-speaking minorities in the Baltic republics.



The Baltic leaders may object, saying it is their purely domestic affair. Russia has no more grounds to meddle with it than, say, Germany with the problem of Sudeten Germans on the eve of the war. That is so indeed, bearing in mind the methods Germany used at the time. But unlike the Nazi Reich and the former USSR, the democratic leadership of present-day Russia flatly rejects power methods. Incidentally, the same is true of the present government of Germany. A short while ago, Bonn made a principled statement, declaring "its moral duty" to render assistance to the German minorities in the former Soviet Union and East European countries. "The federal government does not pursue a nationalist policy," the statement notes. "However, it will continue to assume the responsibility for the Germans living in the areas to which they migrated."

This position is difficult to dispute. But Russia has no fewer reasons to show concern for its compatriots. Will they find themselves in the Baltic states in the position of second-class citizens deprived of civil rights, not allowed to own land or vote, as is to be done in the forthcoming elections in Estonia? Or will they become citizens enjoying full rights and making a worthy contribution, as they are doing now, to the progress of the countries in which they have lived for many years and in which some of them were even born? I think this dilemma concerns not only Russia and the Baltic states, but Europe as a whole, for human rights are a universal concept and any violation of them in one place is fraught with a chain reaction. No less important is another, pragmatic aspect of the matter. The role to be played by the Baltic republics in post-communist Europe depends on how the problem of the Russian-speaking minorities will be solved. Moreover, the fate of Europe itself depends on the solution of this problem to a certain extent. There are not many places on the continent as intricate and dangerous as the Baltic region, lying at the juncture of the German and Slav worlds.

Since the battle on Lake Chudskoye in the 13th century, wars at times having begun there have swept through this region. Between the two world wars, the Baltic states played the part of a *cordon sanitaire* against Bolshevik Russia, and in the end this brought trouble to them. In the postwar years, they were a Soviet bridgehead, and this did not do any good either to them or to European security.

However, since ancient, almost prehistoric times, the Baltic coast has also played quite a different part. It was first a kind of market place for tribes from the east and the west of Europe, then came brisk Hanseatic trade, and what is now called cultural exchanges. In the Russian Empire, Riga was the third most important industrial centre, a cosmopolitan city, which would be called today northern Hong Kong or Baltic Singapore.

It is not accidental that these thriving megapolises of Asia are so often mentioned on the Baltic coast. The very geographical position and natural conditions seem to have ensured for them the advantageous role of a Western borderline between the vast Eurasian space and Western Europe. The region has not only favourable natural conditions. The Tallinn, Riga and Klaipeda ports and the transport infrastructure of the region are also "in a relatively good conditions by Soviet standards."

As a rule, local specialists have studied at Soviet colleges, know Russian and the Russian mentality, and also a peculiar "etiquette" which was accepted in the USSR. All this is a truly golden asset for the Baltic nations. It seems that the people who moved to live here in Soviet years could be only beneficial in this respect. Life demands that they should enjoy equal rights. It is not accidental that the equal rights of the Chinese, Malaysians and Indians are carefully observed in Singapore. Otherwise the road to major Asian countries would be closed.

The situation is different in the Baltic states. Unfortunately, the concept of the priority of the indigenous people increasingly prevails there. This concept does not leave many Russians another choice but emigration. However, it leaves no freedom of choice for the Balts themselves. No "bridge" can be built on this concept. On the contrary, it is fraught with unpleasant, destructive consequences. First of all, it can gradually lead to the creation of a new seat of tension in Europe. Secondly, it can bring about changes in the alignment of forces in Russia, where ultra-patriots are waiting for an occasion to whip up a campaign about the "persecution of Russians" in the Baltic republics. Thirdly, let us recall history again. "From the historical point of view, it would be a folly to fence Russia off from Europe," says Atali, president of the European Bank. "Similar attempts have always ended in war."

Such an outcome can be avoided if one pays heed to these warnings in good time. The sad experience of Yugoslavia, the Caucasus and now Moldova shows that after the collapse of communism, the nationalist emotions suppressed by it easily prevail over reason.

Dmitry Volsky

Who will glue the "fragments of communism" together?

A headline in a national paper said: "The threat of a Bolshevik comeback in Russia is a soap bubble." The issue carrying it came out on March 18, a day after the Voronovo "congress" and the Manezhnaya Square rally, and the phrase sounded like a sigh of relief: the danger was over. On the same page, a well-known publicist explained why we had been scared of "shadows" although there was nothing to be scared of.

What kind of a "boss" do we need?

According to the returns of a poll conducted by the National Central Public Opinion Institute only three percent of the respondents lamented the loss of the "socialist choice" in 1991. That's an infinitesimal percentage, an "objective observer" would remark, just three persons out of 100! Well, let us be "subjective" about it and multiply three by the number of hundreds in our millions. What's the product going to be: one million? Two million? Even if we presume that there are fewer Bolsheviks than that, many more are prepared to think and, if necessary, to act the Bolshevik way.

The same poll has revealed that 28.4 percent of the respondents regard the "termination of the CPSU's activity and the nationalization of its property" as the second most important event of 1991 after the "three days in August." The "Pavlov banknote exchange," the declaration of independence by the republics, the "bloody January" in the Baltics and the March 17 referendum on the future of the Union were given less importance... This points to the maturity of most members of our society, the above-mentioned observer will comment. That's fine, but what about the rest of our society, how is it to be treated? "The rest" includes you and me, the imbeciles who remember the fuss over the 100- and 50-ruble bills but have forgotten all about the withdrawal of our "helmsman" from the political scene. Then came January with its shocking "price liberalization," bringing with it a relapse into nostalgia for the stagnation-period good old days with the only difference that instead of missing "the boss" we now miss "sausage" readily available under the Communists. "Hey, Communists, where are you?" "Here we are, with you. Just listen to us, and we shall give everything back to you." "What kind of Communists are you? We haven't seen you before. We've had different Communists..." "They have betrayed you, and we identify ourselves with you. We are just saying what you want to hear. Right?" "Sure, sure..."

That tottering old communism

So here they are, "new communists." The Communist Initiative Movement, born in the summer of

The spectre of communism is still brooding over the former Soviet Union. It has now broken up into a multitude of small spectres each having a name of its own: ULF, AUCP (B), RCWP...



1990, was previously known as the United Labour Front (ULF), born in 1989. Later, the "new communists" assumed the name of the Russian Communist Workers' Party (RCWP). Today they are in company with their comrades-in-arms, the Labour Russia (LR) party, born in the winter of 1992. The Russian Communist Workers' Party was registered in Russia's Ministry of Justice on January 9, 1992. One of its better-known leaders is Victor Anpilov, once a journalist of Radio Moscow's World Service.

From "Left" to "Right" — one step?



Nina Andreyeva, AUCP(B)



Alexei Prigarin, Communist Union



Victor Anpilov, RCWP



Roy Medvedev, SLP

and now a Deputy of the Moscow City Soviet and Secretary of the Moscow City Committee of the RCWP. The credit for having discovered Anpilov as a popular leader obviously goes to Vladimir Yakushev, the founder of the ULF and a convinced advocate of the "pure" communist idea (communism today is a mechanism clogged with sand, it needs cleaning and overhauling.) Spotted years ago by Leonid Ilyichev, an ideologist of Khrushchev's "thaw," Yakushev has never given up the ideals of his honest youth.

The choice of Anpilov was a fortunate one, I admit. He has a voice which sounds as if he has shouted himself hoarse at frequent street rallies, a scarf hanging loose around his neck, a jacket which has seen better days, a simple vocabulary — all this is intended to show his fellow-Communists that he is one of them and will never let them down.

The RCWP includes intellectuals, too — Alexei Sergeyev and Richard Kosolapov, each holding a doctorate. The former is an expert in "socialist economic planning" who has never been given his due, and the latter — a recognized theoretician, onetime Editor-in-Chief of the *Kommunist* journal. Although General Makashov (Ret.) is not a member of the Party's leadership, the idea of making him the "supreme-ruler" of Russia comes precisely from there.

The RCWP has branches in many major cities of Russia: Rostov, Yekaterinburg, Barnaul, Omsk, Petersburg, Tomsk... Its largest organization, 4,200 strong, functioning in Kemerovo, is headed by Teimuraz Avaliani, People's Deputy of the former USSR, and its territorial organizations are found in the districts of Moscow and in 15 districts of the Moscow Region. At Anpilov's estimate, the total membership of the Party now amounts to at least 20,000.

Most of those who join the RCWP are pensioners and veterans some of whom have been non-Party people before. The middle-level leaders of the former CPSU



The attributes of the "glorious" past greatly inspire the Stalinists gathered on the Red Square

Photo by the author

show no interest in the new party, as a rule. According to the *Kuzbass* paper, the participants of the constituent meeting of the Kemerovo local organization "enthusiastically applauded a worker and a student who applied for admission to the RCWP right at the meeting."

The RCWP has published a document which says that it has got down to "realizing its immediate goal — the deposition of the present anti-popular administration." For this purpose, the RCWP proposes to set up Soviets of factory workers, peasants, office employees and servicemen — the political groundwork of Soviet power. The priorities include: "reviving the USSR and social justice, preservation of the public ownership of land."

Already on March 3, 1992, the Labour Russia party told *urbi et orbi* that it was prepared to assume the responsibility for pulling Russia out of crisis and had practical economists, scientists and lawyers to achieve this.

The CPSU divided into "platforms"

Besides the RCWP, there exist several other orthodox communist organizations. The better known of them are the Bolshevik Platform in the CPSU and the national society Unity — for Leninism and Communist Ideals which Nina Andreyeva is by right regarded as the founder of. In November 1992, parts of the Platform and the Unity merged into the All-Union Communist Party of Bolsheviks AUCP (B). Its frankly "Stalinist" programme, deliberately stressing bringing back the "good old" name of the Party, pushes it to the extreme Left end of the communist spectrum and dooms it to

scanty membership. Whereas the number of the Unity's supporters is estimated at about 2,000 (including the members of organized groups in Ossetia, the Dniester Republic and the Baltics), the number of those who have joined the AUCP (B) does not exceed a thousand.

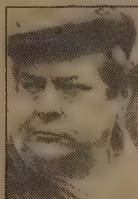
Nina Andreyeva's attempts to try on the toga of a "charismatic Communist leader" (to believe her, letters keep pouring in from the Communist Party leaders of a number of Western and Asian countries demanding that "the matter of restoring the Comintern be attended to in earnest") is fraught with a split in the Unity and in the AUCP(B). Tatiana Khabarova, one of the leaders of the Bolshevik Platform in the CPSU, puts the blame for that on Andreyeva accusing her of "authoritarian style methods of leadership."

As Alexander Lapin, Secretary of the AUCP(B) Central Committee, put it, "the party is prepared for any methods of struggle." This readiness objectively makes Nina Andreyeva's party allied to the RCWP, although Andreyeva herself labels Anpilov and his companions-in-arms as "revisionists"...

The disintegration of the CPSU left a large number of fragments of various sizes. Besides the better-known Democratic Platform in the CPSU and the Bolshevik Platform in the CPSU, there has emerged, from the Democratic Platform, the so-called Marxist Platform headed by Professor Alexei Prigarin. With a membership of no more than 100 it has now been reorganized into the organizing committee of the Communist Union still to be formed. The position of the Platform is close to that of the RCWP, and its members are active in Anpilov-organized actions, as a rule.



Alexander Rutskoj, FRPP



Vyacheslav Shostakovskiy, RPR

For its part, the Marxist Platform, also divided now, has put forth Anatoly Kryuchkov's Russian Communist Party which is much less orthodox than the organization which has given it birth. Its membership is estimated at one or two thousand.

The group Marxism-XXI, headed by Alexander Buzgalin and Andrei Kolganov, has also broken with the Marxist Platform. Together with Andrei Nechayev's Confederation of Anarcho-Syndicalists and Boris Kagarlitsky's Socialist Party, this group of intellectuals is now forming a Labour Party backed by the Moscow Trade Union Federation. Incidentally, the constituent documents of the Labour Party bear the signature of Nikolai Gonchar, Chairman of the Moscow City Soviet, among others.

Although the Labour Party's membership now is a mere 400, it stands fair chances of becoming a strong party of the Leftwing socialist type provided, of course, that it gets itself a recognized leader.

"We miss Comrade Polozkov"

Notably, there is not a single figure from the notorious Russian Communist Party headed by Polozkov among the leaders of the above-mentioned parties and organizations. Have Ivan Polozkov and his men withdrawn from the political scene — or merely receded into the "shadows" so as to regroup their forces? Both presumptions are possible, I think.

Gennady Zyuganov, the chief ideologist of the Polozkov Central Committee, has become co-Chairman of the Coordination Council of Russia's Popular Patriotic Forces, and Lieutenant-General Boris Tarasov, formerly the "political commissar" of the Volga-Urals Military District under its former commander Albert Makashov, is now co-Chairman of the *Otchizna* (Fatherland) movement and an organizer of its recent congress.

Today patriotism is the winning card, and the Communists are on the alert against the anti-Communist great-power "patriots" trying to snatch the trumps away from them. The *Sovietskaya Rossiya*'s cheerful report of the *Otchizna*'s February congress is worth quoting in this connection: "At the Congress, there were no fancy attributes of 'anti-Bolshevik' patriotism like White Guards uniforms, St. Andrew banners and Cossack Astrakhan hats." May I remind the reader that the movement is led, among others, by Alexander Nevzorov who is by no means averse to fancy attributes of "patriotism," so let us wait and see what happens next.

Socialists, Rutskoiists and "renegades"

The Socialist Labour Party (SLP) led by Roy Medvedev and Anatoly Denisov, former People's Deputies of the USSR, is the "most lawful" successor of the CPSU among the parties which have divided its organizational and ideological legacy. De-

SOCIOLOGICAL SURVEY

Choosing between Nina Andreyeva and Roy Medvedev

Igor Kiyamkin and Tatiana Kutkovets of the Public Opinion Foundation conducted a People and Politics poll last February.

The respondents voiced their attitude to two parties — Nina Andreyeva's AUCP(B) and Roy Medvedev's Socialist Labour Party (SLP).

The AUCP (B) is familiar to 51 percent of city population and to 40 percent of village dwellers. Medvedev's Socialists are less known — only 37 percent of townfolk and 27 percent of countryside residents have heard of them. On the whole, however, the Medvedevites' ideas are thought more highly of than those of the Bolsheviks, especially in the countryside. The Socialists' ideas have a stronger appeal to younger people than to college graduates or to Russia's population on the average. Socialists are slightly more popular with collective and state farm managers and, unexpectedly, with private farmers.

Nina Andreyeva's party has proved to rate equally low in town and countryside, among young and old people alike.

Judging by everything, Socialist ideas have a future in our society.

spite the relatively low rating of its leaders, the SLP, formed in October 1991, is today the largest of the heir parties. It has united about 40,000 former members of the CPSU. The SLP has adopted as its policy document Gorbachev's draft programme approved by the 28th Congress of the CPSU, a programme which aims for "human democratic socialism." The party has its branches in no less than 60 regions of Russia. According to some information, whole organizations of the former CPSU joined the SLP. In the Russian parliament the SLP is represented by 24 deputies most of whom are affiliated to the Communists of Russia faction. The main problem facing the SLP today is how to combine the moderate centrism of its leaders, oriented towards parliamentary methods of work, with the desire of a certain part of its members to "settle matters in the street," in particular, shoulder to shoulder with members of the RCWP.

Finally, a few words about two more parties the Communist origins of which are not too strongly manifest. The Free Russia People's Party (FRPP), or the Rutskoi Party, goes back to the now famous statement made by Alexander Rutskoi at the Congress of People's Deputies of the Russian Federation which resulted in a split of the Communists of Russia faction and in the birth of Communists for Democracy faction (which drew the following caustic remark

from Zyuganov: "Are the rest of the Communists against democracy?")

The ideological and theoretical potential of the Free Russians is represented by liberal Communist intellectuals who have defied the gloomy Polozkov-style conservatism, such as Vasily Lipitsky (now Chairman of the Board of the FRPP), Grigory Vodolazov, Igor Pantin, Boris Kapustin. The estimates of the party's membership vary from 10,000 to 40,000. For all their impressive intellectual background, the political image of the Rutskoiists is determined by that of the Vice-President who is unpredictable: now he flirts with great-power patriots and insists on the state-run economy taking precedence over all other kinds, now he holds forth about "common human values" and pledges his firm commitment to the market economy.

It is probably thanks to that vague volatile image that the FRPP, as well as the Democratic Russia and the Russian Democratic Movement (RDM) would win over ten percent of the vote at a parliamentary election today, according to the latest statistics obtained by the Supreme Soviet's public opinion study subcommittee. I think that this dashing General, Rutskoi, would have won about the same proportion of the vote if he had headed any other party.

As for the party which was perhaps the first to emerge from the CPSU — I mean the former Democratic Platform in the CPSU now known as the Republican Party of Russia (RPR), and which concludes our list, it has gone such a long way towards radical liberalism that I even find it rather awkward to bring up its communist past. This may be due to the fact that the RPR comprises chiefly those who withdrew from the CPSU against the background of the 28th Congress at which the would-be President of Russia laid down his party card. At that time, withdrawal from the party was no longer suicidal, but dangerous still. Seeing that it was impossible to reform the state party, the core of totalitarianism, its free thinking members, disappointed with Marxism, made a choice the logic of which led them to other values.

Today the Republicans, headed by the party's co-Chairmen Vladimir Lysenko and Vyacheslav Shostakovsky, are having a rather hard time. Owing to the absence of a clear-cut social base, the leaders have to identify themselves with the RDM and the Democratic Russia at one and the same time, which causes chronic differences within the party.

Instability and chaos cause growing social unrest, and people may well decide to follow the neo-Bolsheviks again, not out of love for them but in pursuit of order. So we should not nourish any illusions and let us face the truth: the shadows of Bolshevism are being cast by ourselves.

Arkady Dubnov

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Vladimir Semago:

"I can be made angry, but not told what to do"

Semago is president of a joint venture and head of three other companies. He is 45, married and has a son. He graduated from a civil engineering institute and the Academy of Foreign Trade. He sees himself as a "European-minded socialist." Recently, twenty-five tenets of his were published in *Pravda*, they had a sharp anti-government tone.

Doesn't it strike you as a paradox that the Moscow Commercial Club is situated on Big Communist Street?

They tried to persuade me to change the name, but I think that the combination sounds funny.

As a symbol of a transition period?

Most likely as a historical monument. We will come to understand that every epoch has a right to its historical values. The future generations may laugh or find it strange, but they will have a monument in the name.

Why do people join your club?

They simply like it: the situation in public places — restaurants, cafés — is dreadful. The service is bad, and criminals hang out there. They are drawn to us because the interior is beautiful, everything is neat and clean, and the service is good.

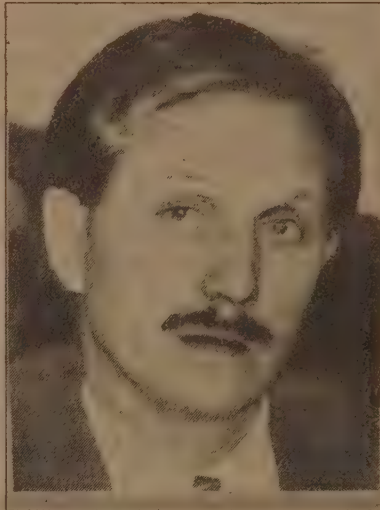
Our club is not at all a closed elite circle who gorge themselves and don't think about anything else.

The club is first of all a way for Russian entrepreneurs to make contacts with foreign businessmen.

Who can join the club?

At first the Moscow Commercial Club got many requests from people seeking to join, worded as follows: "I have money, and I'd like to join your club." But there are different kinds of money, and it is used for different goals. Therefore we decided not to use that criteria, but to create a club whose members were interesting, promising and outstanding organizations and individuals. As for Russian entrepreneurs, we tried to orient on organizations represented by leading persons. After all, in our times it is very difficult to tell whether the business which the person who has come to us deals with and his methods are moral and acceptable in respectable society. But when you talk with the representative of an organization, it is easier: you can look over their

**The authors
of The New
Russian Entrepreneurs
project financed by
Tekhnobank offer an
interview with the
founder of the Moscow
Commercial Club**



bank documents and come to some conclusions. And that in its turn allows the club to give some kind of guarantee.

The club offers a sort of collective responsibility.

And what is the business of the joint venture Moscow Commercial Club which you head?

We're intermediaries. We help in finding partners and take part in creating new enterprises. The Russian Bear company, which produces and markets beer, was established with the participation of our joint venture. We have also set up a law firm for

entrepreneurs. After all, in civilized countries the activity of lawyers in business and the economy is significant. And we also run a small travel bureau.

I don't like the word "broker" not for what it means. I can't stand pure speculation in our conditions. I would like to set up new enterprises. But the biggest and so far unrealized dream of my wife and mine is to make movies. We follow world cinematography very closely, and think understand what a movie should be and should not be like.

What were you doing before you became an entrepreneur?

Almost all I did was connected with building: from being a labourer to the chief engineer of the construction department at the State Committee for Science and Technology. I also worked for several years at the commercial section of Intourist and simultaneously studied at the Academy of Foreign Trade. And in 1987, I first got the idea of going into business for myself.

How did you go about it?

In those years I had the nickname "Gorbachev's advisor." I sometimes took the liberty of giving advice to newcomers in business, and gave unofficial legal consultations. A lot of people came to me and one day some youths who wanted to open a cooperative hot-dog stand. The Moscow Commercial Club developed out of that. Probably the main thing isn't the idea, but who carries it out.

So much for advice, but what caused you to become an entrepreneur?

In the state bureaucratic system, you can be a genius and propose fantastic ideas, but you will only be told: "No, that's of no use." I wanted to be an individual, to do things.

Did you feel you had some propensity for this?

I went in for direction in my youth. was good at it. Being a businessman is similar to being a film director. One sort of putting on mini-plays. The actors are sometimes capable of improvising, sometimes not. Sometimes you have



Drawing by Arkady Gursky

work together! And as an entrepreneur, I'm disturbed by the government's undemocratic approach to economic policy.

Can you give an example?

The attempt to run industry, production and enterprises in the tradition of the old pro-communist government. While talking of democracy, the ministers use the most conservative methods of controlling the economy.

If you take the experience of the Thatcher government, then its basic principle was encouraging the entrepreneurs in the production sphere while imposing heavy taxes on companies that only resold goods and dealt with broker operations. Instead, our government proposed a single tax for all, a super-tough financial policy and shrinking money circulation. Such actions could and should have a positive effect in countries that already have a market economy. But here, these measures can't stop the worst from happening — a fall in production. I as a person whom the new economic policy has given practically everything can't agree with people who have not thought through where certain actions may lead us. The best thing would be to declare 1992 a year of transition from a socialist to a market economy and try to stabilize the situation, reckoning with the real total state monopoly.

Why did you decide to speak your mind in *Pravda*?

I am convinced that a strong government must have a strong opposition. Some politicians are doing great harm to the reforms when they call sensible people opponents of the reforms. That's the reason I wrote the article in *Pravda* — I'm someone who can't be identified with the opponents of the reform, at least in terms of the social strata I belong to.

After your article came out there were rumours that the CPSU helped set up and finance your enterprises....

If anyone wants to know, one can always take a look at our books. If they are kept right, you can always tell where money came from.

But the readers won't likely ask to see the books...

I can say straight out that not one penny of party money has ever been received.

How do you see a way out of the economic crisis?

I think that the only way out is through merging state capital with private initiative. If enterprising people could find normal partners in the government and would be trusted, things will get rolling. A lot of money is just lying around. The possibilities of the state sector must be realized through good management, through enterprising and intelligent people. These managers, if given some percent of the profit, could make a capital to later start their own business with. But I don't know how soon that will happen.

Prepared by

Igor Bunin and Alexander Ivakhnik

make someone do what you want as the director.

Were there any reasons you have become an entrepreneur besides the need for self-expression? How about power, the power to influence people? Is that important to you?

Of course, a director is someone all have to obey. No theatre is collective.

Is the feeling of freedom, and autonomy in what you do important to you?

For sure. I couldn't be under anyone now. I can be infuriated, but not told what to do. That's very important in talking to the kind of people I have always hated.

Are you striving to accumulate property in order to leave something to your children, to have a family business?

I don't need any of it. But my son is eight. A man starting out in life should have some capital so that he can do what he wants.

What personal qualities of yours helped you achieve success?

One of the principles that I laid down for myself is borrowed from Churchill. He said: I begin to work the moment they tell me no. So for me a refusal is always the signal to take action. He has said his "no," and he can do nothing more then. He's already psychologically fulfilled his task and that's that. While I have all sorts of options. I know beforehand that I will be refused. For me that's only the signal to go to work. It helps me a lot.

How important is the growth of personal income for our entrepreneurs? Is there a point when their personal interests give way to the interests of society, when they start investing?

We are all the products of socialism, so each of us has a socialist idea of wealth. As soon as these ideas have been implemented,

one goes on developing further, developing normally. But one has to achieve a certain level of wealth: a fur coat, a car, a dacha, entertainment one couldn't afford before. Having achieved this, one can go further.

The accumulation of wealth isn't the biggest factor even for swindlers.

How are you personally doing?

I have a minimum I need. My family and I haven't set the goal of being among the ten richest in Russia. For me, money is a means of building something with.

You come into contact with businessmen all the time. Who of them impress you and who irritate you?

I'm impressed by entrepreneurs who are from the intelligentsia, who have some inner culture. It's important that more managers and industrialists, that is, people with experience go into business. There is no place for dabblers. I hate swindlers, especially when they make money at cemeteries, when they make money using problems connected with hospitals or day care centres. I would never even talk to such people.

What, in your view, stands in the way of Russian entrepreneurs?

The "socialist" mentality, "socialist" structures, bribe taking, and always wanting to profit by somebody else's work.

And in the political sphere?

All the cataclysms and endless intrigues. All that has happened lately and is happening now is mostly intrigues. Even the creation of the CIS, I think, is nothing other than an intrigue. The intrigue of three or four men in relation to a fifth.

You have published an article in *Pravda* that was very critical of the government. Why?

Because I do not accept the way in which the reforms are being carried out, and because there is no openness. Let's

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THE LAW OF THE RUSSIAN FEDERATION ON THE FUNDAMENTALS OF THE RUSSIAN FEDERATION'S TAX SYSTEM

The present Law sets forth the general principles of taxation in the Russian Federation, including those concerning taxes, charges, duties and other payments, as well as rights, obligations and responsibilities of taxpayers and tax authorities.

Chapter 1.

General

Article 1.

Establishment and Cancellation of Taxes and Other Payments.

Establishment and cancellation of taxes, charges, duties and other payments, as well as taxpayers' benefits, shall be the responsibility of the Russian Federation's Supreme Soviet and other state administration bodies, in keeping with the present Law.

Laws which might result in a change in the amount of tax payments shall not have a retroactive effect.

Article 2.

The Concept of Tax, Other Payments and a Tax System.

Taxes, charges, duties and other payments shall be understood as an obligatory contribution to the budget of corresponding levels or a non-budget fund, performed by payers as provided for by legislative acts.

The entirety of taxes, duties, charges and other payments (hereinafter referred to as taxes), levied in line with established procedure, shall form the tax system.

Article 3.

Taxpayers.

Taxpayers shall be comprised of corporate entities and other categories of payers and individuals which are obliged by law to pay taxes.

All tax-paying entities and individuals, as specified in the present Article, are hereinafter referred to as taxpayers.

Article 4.

The Obligatory Registration of Taxpayers.

Taxpayers shall obligatorily undergo registration with the State Tax Board of the Russian Federation (hereinafter referred to as tax authorities). Banks and credits institutions shall open settlements and other accounts for taxpayers only upon presentation of a document certifying registration with the tax authorities, and give notice of the opening of such accounts within five days.

Article 5.

Objects of Taxation.

Objects of taxation shall constitute incomes (profits), the value of particular goods, particular forms of activity of taxpayers, operations with securities, the use of natural resources, property of corporate entities and individuals, the transfer of property, added value of products, works and services, as well as other objects which might be stipulated by law.

Article 6.

One-Time Taxation.

An object may be subject to taxation only once over a particular period of taxation.

Article 7.

The Procedure for Setting Tax Rates.

Tax rates, except for excise duty rates, shall be set by the Russian Federation's Supreme Soviet

and other state administration bodies as provided for by the present Law.

Article 8.

Approval of Excise Duties.

The rates of excise duties, in regard to particular kinds and groups of goods, specified by the Russian Federation's Supreme Soviet, shall be approved by the government of the Russian Federation.

Article 9.

Distribution of Tax Proceeds Among Budgets at Different Levels.

The payment of tax proceeds to budgets at different levels and non-budget funds shall be performed as provided for by the Russian Federation's Supreme Soviet and other state administration bodies in line with the present Law and other legislative acts.

Article 10.

Tax Benefits.

The following tax benefits may be provided for by law:

- exemption from taxation;
- exemption from taxation of particular elements of the object of taxation;
- exemption from taxation of particular individuals or categories of taxpayers;
- the lowering of tax rates;
- deductions from tax (tax payable in a particular period);
- ad hoc tax benefits, including tax credits (postponement of paying taxes);
- other tax benefits.

Article 11.

Taxpayers' Duties.

1. The taxpayer must:

- pay taxes;
- maintain books, draw up financial statements, and provide for their integrity for a period of up to five years;
- submit to tax authorities documents and information needed to calculate and collect taxes;
- make amendments in books in line with the amount of concealed or lowered income (profit), disclosed during audits by tax authorities;
- in case of disagreement with facts set forth in an audit statement which was drawn up by a tax authority, present a written explanation of the grounds for refusal to sign the statement;
- comply with the tax authority's demands to remedy the violations of tax legislation disclosed;
- meet other obligations.

Taxpayer's obligations shall arise when there is an object of taxation and on grounds specified by appropriate legislative acts.

In order to determine taxpayers's duties, the legislation should set forth and define:

- the taxpayer (subject of taxation);
- the object and source of tax;
- the unit of taxation;
- the tax rate;

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- deadlines for paying taxes;
- the budget or non-budget fund to which the tax shall be paid.

2. Individual's duties related to the payment of taxes shall cease upon the collection of tax, the cancellation thereof, the taxpayer's death, or any other circumstances making it impossible to pay tax without the taxpayer's personal participation, unless otherwise provided by law.

3. A corporate entity's duties related to payment of taxes shall cease upon the payment or cancellation of tax. Inability to pay tax shall constitute grounds for recognizing, as provided by law, the legal entity involved in entrepreneurial activity as bankrupt. In the case of liquidation of corporate entity, by ruling of a court of law or by decision of the owner, the duties related to the payment of tax arrears shall be conferred to a liquidation commission.

4. Should a taxpayer fail to meet obligations, taxes shall be collected through administrative or criminal proceedings, and tax sanctions taken in line with the present Law and other legislative acts, as well as by way of collateral of monetary and in-kind valuables, bail or guarantee to be lodged by the taxpayer's creditors.

Article 12.**Taxpayer's Rights.**

The taxpayer shall have the right:

- to submit to tax authorities documents confirming his right to tax benefits;
- to acquaint himself with audits made by tax authorities;
- to submit to tax authorities explanations for the calculation and collection of taxes and audits performed;
- to appeal against tax authorities' decisions and actions of officials, as provided by law, as well as other rights set forth in legislative acts.

Article 13.**Taxpayer's Responsibility for Violation of Tax Legislation.**

1. A taxpayer who has violated tax legislation shall be held responsible, as provided for by law, in the form of:

- a) collection of the entire amount of the concealed or lowered income (profit) or the amount of tax on any other concealed or unaccounted for object of taxation and penalty equal to this amount, while, in cases of recurrent violations a two-fold amount and penalty, should a court of law establish the fact of deliberate concealment or lowering of income (profit), the violator may be subject to a penalty exceeding by five times the concealed or lowered income (profit), to be paid to the federal budget in line with an action brought by a tax body or the public procurator;

b) payment of a ten-percent penalty on taxable sums for the last reported quarter, immediately preceding the audit, for each of the following kinds of violations:

- a lack of book-keeping on a taxed object;
- book-keeping involving gross violations of the established procedures, which resulted in the concealment or lowering of taxes for the audit period by no less than 5 percent of the tax payable in the last reported period;
- failure to submit or untimely presentation of documents needed to calculate and pay taxes;

c) exaction of a fine on the taxpayer, in case of a delay in the payment of taxes, amounting to 0.2 percent of the tax arrears for every day of delay in payment, from the fixed deadline of payment of the tax in question, unless another penalty is provided by law. The exaction of the fine shall not relieve the taxpayer from other forms of responsibility;

d) other sanctions provided by law.

The collection of taxes and other arrears, as well as penalties and other sanctions provided for by law, from corporate entities, shall be carried out mandatorily; from individuals in line with judicial procedures. Arrears of individuals shall be collected from their incomes, and in

case of an absence of income, from their property.

2. Administrative, criminal and disciplinary proceedings shall be instituted against officials and individuals in violation of tax legislation.

Article 14.**Rights of Tax Authorities and Their Officials.**

1. Tax authorities shall have the right to:

- a) request, as provided for by law, the prohibition of a tax violation from involvement in entrepreneurial activity;
- b) file suits in a court of law or an arbitration tribunal:
 - on the liquidation of enterprises on grounds provided for by the Russian Federation's legislation;
 - on recognizing deals as null and void and collection into the state budget of all proceeds from such deals;
 - on exaction of all funds or property, illegally acquired through illicit actions;
 - and other rights provided for by law.

2. Tax authorities' officials shall have the right, in keeping with the legislation in force, to:

a) check all documents pertaining to the calculation and payment of taxes, and obtain the necessary explanations, certificates and information on issues arising during audits;

b) inspect a taxpayer's premises used for production, storage, trading or any other extraction of income (profit) or connected to the maintenance of objects of taxation, regardless of location.

Should an individual refuse to provide access to tax officers for the inspection of premises used for extracting income (profit), or fail to supply documents needed to calculate taxes, the taxable income shall be defined by tax authorities proceeding from the incomes received through similar entrepreneurial activity;

c) suspend taxpayers' operations involving the use of accounts, banks and credit institutions, in case of failure to provide documents related to the calculation and collection of taxes;

d) impose administrative penalties on heads of banks, credit institutions and other financial bodies, in case of non-compliance with tax authorities;

e) confiscate from taxpayers those documents which certify the concealment or lowering of income (profit) or concealment of other objects from taxation, and analyze the documents;

f) obtain, free of charge, from any legal entities, information needed for the calculation of taxpayers' tax payments;

g) other rights provided for by law.

Article 15.**Duties of Banks, Credit Institutions and Enterprises.**

Banks, credit institutions, exchanges and other enterprises shall submit to the relevant tax authorities information on the financial and business operations of their taxpaying clients for the preceding five years, in line with the procedure established by Ministry of Economic and Finance of Russia.

In case of failure to provide such information, heads of these institutions and enterprises shall be subject to an administrative penalty in the form of a fine amounting to five times the minimum monthly labour remuneration for every week of the delay.

Banks and credit institutions are prohibited from causing delay when carrying out instructions of taxpayers regarding the transfer of taxes to the budget or a non-budget fund, or using non-transferred sums of taxes as credit resources. Should such actions be uncovered, the tax authority shall exact the income thus obtained by these institutions to the federal budget, and impose an administrative penalty on heads of these institutions in the form of a fine five times the size of the minimum monthly labour remuneration, as established by law.

In case of failure (delay) to implement the taxpayer's payment instructions through the fault of a bank or a credit institution, a penalty amounting to 0.2 percent of the outstanding tax for every

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day of the delay in payment from its set deadline of the disclosed tax arrears, shall be levied on the violating institution. The collection of fines shall not relieve the bank or credit institution of other forms of liability.

Enterprises are obliged to properly withhold income taxes from incomes of individuals on their payroll, and to transmit the sums withheld to the budget in a timely manner. In case of non-compliance with the aforementioned duties, the enterprises shall be held liable in line with procedures established by the Russian Federation's legislative acts.

Article 16.**Duties and Responsibilities of Tax Authorities.**

Tax authorities and their officials are obliged to respect commercial secrets, refrain from the disclosure of information on deposits of individuals, and comply with other duties as provided for by the Law On the State Tax Service of the Russian Federation.

Any loss, including benefits foregone, incurred on taxpayers due to the inappropriate performance of duties by tax authorities or their officials, shall be refunded as provided for.

In addition to this, tax authorities and their officials may be subject to other proceedings as provided for by the Russian Federation's legislative acts.

Article 17.**Protection of Rights and Interests of Taxpayers and the State.**

Rights and interests of taxpayers and the state shall be protected in line with legal or other procedures as provided for by the Russian Federation's legislative acts.

Chapter II.**Forms of Taxes and Competence of State Administration Bodies.****Article 18.****Forms of Taxes Levied in the Territory of the Russian Federation.**

1. Levied in the territory of the Russian Federation are:

- a) federal taxes;
- b) taxes of republics forming part of the Russian Federation and taxes of provinces, regions, autonomous regions and autonomous districts;
- c) local taxes.

2. The competence of state administration bodies in what pertains to taxation issues shall be defined in line with the present Law and other legislative acts.

Article 19.**Federal Taxes.**

1. Federal taxes shall consist of:

- a) value-added taxes;
- b) excise duties on particular goods;
- c) taxes on the incomes of banks;
- d) taxes on incomes from insurance activity;
- e) taxes on exchange activity (exchange tax);
- f) taxes on operations involving securities;
- g) customs duties;
- h) deductions for the recovery of mineral resources payable to the ad hoc non-budget fund of the Russian Federation;

i) payments for the use of natural resources to the federal budget, republican budget of republics forming part of the Russian Federation, budgets of provinces, regions, autonomous regions and districts, or local budgets of districts, as provided for by the Russian Federation's legislative acts;

- j) income taxes (profit taxes) payable by enterprises;
- k) individual income taxes;
- l) taxes payable to road-recovery funds in line with the procedure established by the Russian Federation's legislation on road recovery funds;
- m) stamp duties;
- n) state duties;
- o) taxes on property which is inherited or offered as a gift.

2. All proceeds from taxes specified in sub-paragraphs "a" to "g" of Paragraph 1 of the present Article shall be paid to the federal budget.

3. Taxes specified in sub-paragraphs "k" and "l" of Paragraph 1 of the present Article shall constitute the regulating sources of income, while deductions from them, payable directly to republican budgets of the Russian Federation's component republics, budgets of provinces and regions, budgets of autonomous regions, budgets of autonomous districts and other budgets, shall be established at the time of the approval of republican budgets of Russian Federation's component republics, budgets of provinces, regions and districts, or autonomous regions' budgets.

4. All tax proceeds specified in sub-paragraphs "n" and "o" of Paragraph 1 of the present Article shall be paid to local budgets in line with procedures to be determined at the time of the approval of corresponding budgets, unless otherwise provided for by law.

Federal taxes (including their rates, objects of taxation and taxpayers) and the procedure for the payment of such taxes to the budget or non-budget funds shall be set by law of the Russian Federation and levied throughout its territory.

Article 20.

Taxes of Republics of the Russian Federation and Taxes of Provinces, Regions, Autonomous Regions and Autonomous Districts.

1. The following taxes shall pertain to the Russian Federation's component republics, provinces, regions, autonomous regions and autonomous districts.

a) taxes on an enterprise's property. The entire amount of the tax shall be paid in equal installments to the republican budget of a republic forming part of the Russian Federation, budgets of provinces, regions and districts, the budget of the autonomous region, budgets of autonomous districts and regional budgets of districts, and budgets of cities where taxpayers reside;

b) income from forestry;

c) payment for water used by industrial enterprises.

2. Taxes specified in Paragraph 1 of the present Article shall be set by legislative acts of the Russian Federation and levied throughout its territory. Concrete rates of these taxes shall be set by laws of the republics within the Russian Federation or by decisions of state administrative bodies of provinces, regions, autonomous regions, or autonomous districts, unless otherwise provided for by legislative acts of the Russian Federation.

Article 21.**Local Taxes:**

1. Local taxes shall consist of:

- a) tax on property of individuals. Tax payments shall be collected to local budgets (registration of the object of taxation);
- b) land use tax. The procedure for collecting taxes to corresponding budgets is established by legislation on the use of land;
- c) a registration fee paid by individuals involved in entrepreneurial activities. The amount of the fee shall be paid to the budget at the place of registration;
- d) tax on construction of production facilities in health resort zones;
- e) a health resort zonal charge;
- f) a fee on rights to engage in trade. The fee is to be established by regional, city (without district division), city districts, and rural state administration bodies. The fee is to be paid through acquisition of a one-off coupon or temporary patent, or fully disbursed to the corresponding budget;
- g) ad hoc duty from individuals, enterprises or organizations, regardless of their organizational or legal forms, which shall be paid to finance the upkeep of police units, amenities and other purposes.

The rate of annual taxes shall not exceed one percent of the twelve minimum monthly wages set by law for individuals, or one percent of the annual labour remuneration fund for a corporate entity, calculated on the basis of the amount of a minimum monthly wage.

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Rates of taxes in cities and districts shall be set by the corresponding state administration authorities; in rural areas — by residents' meetings and assemblies;

h) tax on advertising. The tax is payable by corporate entities and individuals who advertise their products, at a rate not exceeding 5 percent of the cost of advertising services;

i) tax on the sale of automobiles and computers. The tax shall be paid by corporate entities and individuals involved in the resale of such goods at a rate not exceeding 10 percent of the transaction's value;

j) tax paid by owners of dogs. The tax shall be paid by individuals who keep dogs in cities and shall not exceed one-seventh of the legally established amount of the minimum monthly wage per year;

k) licence fee for the right to trade in alcoholic beverages. The fee is to be disbursed by corporate entities and individuals that sell alcoholic beverages to the public at large: legal entities — 50 minimum monthly wages, as established by law, per year; individuals — 25 minimum monthly wages per year. In the event that trade in alcohol is organized at temporary retail outlets serving parties, galas and other similar events, alcohol vendors shall pay a tax half the size of the minimum monthly wage per day of trade;

l) licence duty on the right to organize local auctions or lotteries. The duty shall be disbursed by auction and lottery organizers, and shall not exceed 10 percent of the value of goods offered at the auction or the value of lottery tickets;

m) duty on the issue of a permit to move into an apartment. The duty is to be paid by individuals issued a permit to move into a separate apartment, and shall not exceed three-fourths of the minimum monthly wage, as established by law, dependent on the size of living space and quality of housing;

n) charge for the parking of motor vehicles. The charge is paid by all corporate entities and individuals for parking their automobiles in specially equipped places and is to be set by local authorities;

o) charge for the right to use local symbols. The charge is to be paid by manufacturers of products bearing local symbols (including arms, images of cities, localities, historical monuments, etc.) and shall not exceed 0.5 percent of the value of marketed products;

p) charge for participation in horse races. The charge is to be paid by corporate entities or individuals that use horses in profit-making races and is to be established by local authorities at the location of such races;

q) charge on winnings in races. The charge shall not exceed 5 percent of the gain's value;

r) charge to individuals participating in betting at horse races. The charge is to be paid in the form of a percentage supplement to the participation fee and shall not exceed 5 percent of the fee;

s) charge on deals negotiated at exchanges, except for deals provided for in the legislation of taxation of transactions with securities. The charge is to be paid by participants in the deal and shall not exceed 0.1 percent of the deal's value;

t) charge for the right to shoot movies and TV films. The charge is to be paid by commercial movie-making and television organizations involved in shooting, which require organizational support on the part of local authorities (the dispatching of police squads cordoning off shooting areas and so on). The charge shall be established by local authorities;

u) charge for cleaning territories of residential areas. The charge is to be paid by corporate entities and individuals (owners of buildings) and is to be set by local authorities.

2. Taxes specified in sub-paragraphs "a" to "c" in Paragraph 1 of the present Article are set by legislative acts of the Russian Federation and levied throughout its territory. Concrete rates of these taxes shall be defined by legislative acts of the Russian Federation's constituent republics or decisions of state authorities of provinces, regions, autonomous regions, autonomous districts, cities, and other administrative and territorial entities, unless otherwise provided for by Russian law.

3. Taxes specified in sub-paragraphs "d" and "e"

of Paragraph 1 of the present Article may be introduced by regional and city authorities in whose territories health resort zones are located. Tax payments shall be transferred to the budgets of regions and city districts.

In rural areas, tax payments shall be transferred in installments, towns of regional affiliation, and budgets of regions, provinces and areas in whose territory health resorts are located.

4. Taxes and charges provided for in sub-paragraphs "i" to "u" of Paragraph 1 of the present Article may be set by regional and city authorities.

Taxes and duties shall be paid to regional or city budgets upon decision of regional or city authorities in cities, and budgets of rural settlements.

Chapter III.

Final Provisions.

Article 22.

The Tax-Paying Procedure.

The disbursement of income tax by a corporate entity, which, under the legislation, shall pay several taxes, is performed in line with the following procedure:

— all property taxes, duties and other charges provided for by law shall be paid first;

— the taxable income (profit) of a taxpayer shall be deducted by the sum of taxes specified in sub-paragraph 2 of the present Article; following this, local taxes, if any, shall be paid;

— the taxable income (profit) of a taxpayer shall be deducted by the sum of local taxes, specified in sub-paragraph 3 of the present Article. All remaining taxes shall be paid subsequently;

— the income tax (profit tax) shall be paid from the income (profit) remaining upon payment of all taxes stipulated in the present Article.

The payment of taxes by individuals shall correspond to the procedure established by the relevant legislation of the Russian Federation.

Article 23.

International Agreements.

1. The government of the Russian Federation participates in the coordination of tax policy with other states — members of the Commonwealth of Independent States — and enters into international tax agreements to avoid (preclude) dual taxation with the subsequent ratification of such agreements by the Russian Federation's Supreme Soviet.

2. Should international treaties to which the RSFSR or the ex-USSR are signatories provide for rules other than those stipulated by legislation on taxation of the Russian Federation, the rules of an international treaty shall prevail.

Article 24.

Control Over Collection of Taxes.

Control over the correctness and timeliness of collection of taxes to the budget shall be exercised by a tax authority, as provided for by the Law On the State Tax Service of the Russian Federation and other legislative acts.

The statute of limitations in regard to claims lodged by individuals in connection with the collection of taxes to the budget shall constitute three years. An indisputable procedure for the collection of tax arrears from corporate entities may be applied within six years from the moment the arrears arise.

Article 25.

Publication of Instructions.

Instructions on the application of tax legislation shall be published by the Russian Federation's State Tax Service in coordination with the Ministry of Economy and Finance of Russia.

Article 26.

Tax Reform.

The system of taxation shall remain in force without change, pending adoption by the Russian Federation's Supreme Soviet of a special decision on tax reforms, in keeping with the Law On the Fundamentals of Budget-Making Processes in the RSFSR.

President of the Russian Federation

Boris Yeltsin

December 27, 1991, Moscow

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Eldorado or a "black hole"?

Foreign investments in Russia: risks and gains

During his New York meeting with representatives of the US business world Boris Yeltsin reproached them because of their unwillingness to expand economic contacts with the new and post-communist Russia: "Last week I promised you to bring down communism. I fulfilled my promise. Why are you tarrying now?" This grudge of the President is shared by the majority of Russians who are pinning hopes on foreign loans having a miraculous effect.

However, emotional preparedness to act isn't enough for realization of the hopes. Russia must make a purposeful effort and build a legal, economic, and political environment favorable for foreign investments. Importantly, the climate in Russia (both in terms of weather and business) is determined by sharp changes of cyclones and anticyclones. Therefore, business and weather forecasting for Russia is a risky business.

Economic risks

Choosing a reliable and paying partner in commercial and state structures involves a lot of risk in itself. Russia's economy remains in the main state-controlled, and the state sector is currently experiencing a deep crisis. Huge state-run enterprises which even recently seemed to be unable to drown proved to be unable to navigate the rough seas of the market economy without financial support from the state.

In the past, the omnipresent state would tow the "ship" in distress by financial injections, but now the salvation team themselves are busy trying to steady their vessel under the impact of the tenth wave of the budget deficit. Russia's new leaders who pledge that

struggle to eliminate the budget deficit and ensuing inflation is the priority of their policy have to increase the pressure of taxes on enterprises. In the middle of last year, foreign investors were presented with an imposing batch of new taxes, in addition to the more traditional ones: the wages and salaries stabilization tax, the 28-percent VAT, as well as new export duties. But the economy's transition to the market system has a different impact with different enterprises. Non-state commercial structures which bravely plunged into the troubled waters of a market economy are forming a small but rapidly growing sector of the Russian economy, and this sector is becoming ever more attractive for small, medium-size, and even large foreign investors.

Hard currency risks and foreign trade risks

Every foreign investor in the Russian economy is facing a problem: how to convert hard currency into rubles and vice versa. This problem is directly connected with the country's unenviable situation with hard-currency debt. Russia has to pay over 20 billion in terms of debt payment in 1992 alone. The seriousness of the situation is indirectly confirmed by introduction of what amounts to a moratorium on payments from bank accounts of enterprises and individuals who hold accounts in the USSR Vneshekonombank.

Prospects for development of export, a major source of hard currency, are bleak. Traditional Russian export items — timber, non-ferrous metals, other raw materials — now can bring exporters only financial losses and more debts. Beginning on January 1, 1992, all exporters of these items had

to transfer 10 percent of their hard-currency profits to the Central Ruble Stabilization Fund at the Russian Central Bank's special rate of 55 rubles to a dollar. In addition, export duties introduced December 31, 1991, which can drain all ruble as well as dollar profits gained, have to be paid as well.

Until recently, it was possible (and many JVs used that possibility) to buy hard currency on the Russian home market. This year all hard-currency payments are prohibited between legal persons registered as such in Russia. Sale of consumer goods to the public for hard currency will presumably be stopped July 1, 1992. These steps are aimed at limiting the circulation of foreign currency in Russia and are to be regarded in the context of transition to convertibility of the ruble. Another step in this direction was legalization of the currency market in Russia.



Political risks

Political risks involved are to be regarded in the context of political instability. But we mustn't overestimate the danger. Against numerous pessimistic forecasts, the political risk indicator hasn't yet reached the dangerous level beyond which lies a social explosion and political chaos, resulting in a conflagration of a civil war and ethnic violence. The society maintains a fair amount of stability, against all the unpopular actions of the Yeltsin-led government bent on reform. The democratically elected power is controlling the development of the situation in general.

Conclusions and prospects

The climate for foreign investment in Russia is anything but benign. However, all risks involved can be minimized. What about the incentives? Russia's current economic crisis is in fact only the crisis of the state economic sector whose representatives foreign investors have traditionally been dealing with. As for the new private and cooperative structures, the

term crisis cannot be applied freely today. This sector knows the Russian market inside out, is flexible and can adapt itself to the quickly changing situation. It is energetic and bent on innovations.

Besides, the traditional variant of Russian business being oriented mainly to the export of raw materials becomes largely ineffective now under new patterns of control of foreign trade. Production cooperation within the JV framework in the field of processing raw materials imported here can become a better alternative, considering relatively low import duties and availability of amazingly cheap but rather well-qualified local work-force. Certain Western companies which are experienced in dealing on the Russian market have already been working in this direction.

In addition, the current situation on the Russian hard-currency market is opening up broad possibilities for the influx of venture capital of large companies, as well as for medium-size and small business.

But the most important aspect is this: at present, the Russian market is experiencing a frenzy period of huge

profit opportunities when all risks can be compensated for easily.

New possibilities are opened up before foreign entrepreneurs by the already adopted (and only drafted) Russian laws which, for example, allow foreign investors to take land on long-term lease, strike concession-type deals, and actively operate on the nascent Russian securities market. Today, foreign business entrepreneurs can buy shares and thus get involved with different production projects, including conversion of the defence industry to civilian production, which opens access to advanced technologies until recently closed for foreigners.

Of course, it is too early to speak about a full-fledged market in the Western sense. But, quoting Mikhail Gorbachev, "the process has been set off." There still are niches to be filled by competent, dynamic, and daring foreign entrepreneurs. But the vast economic space of Russia isn't unlimited. Those who are cagey in fear of an encounter with a "black hole" run the risk of being too late for the discovery of another Eldorado.

Leonid Butlitsky

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Ex-KGB people work with businessmen

Should a foreign or domestic company meet with troubles due to the uncertainty of Russian economic laws, it may apply to the Commercial Security Service. This entity was created in July 1991 by the International Union of Economists to monitor the integrity of the Russian international market. It came into being through the strong initiation of employees of the International Union of Economists, or former Soviet intelligence service officers. Once the elite of the KGB, these individuals possess a deep knowledge of both Russian and international markets. Today, the brain potential of the KGB has found a useful new application.

General Director of the Commercial Security Service Alexei Kiselev has called this effect intellectual conversion not only because the experience of military and secret service specialists serves the commercial interests of Russia, but also because the whole system of security is now changing its structure. For private businesses, the need to keep economic information secret is as essential as that of making profit, and a direct link may be witnessed in both directions.

Often, new businessmen are not familiar with the rules of the international game, and even for the KGBists, commercial security is something entirely different from government work. Special seminars are held at the end of every month to teach managers and security officers about the particularities of modern economic security systems. To keep up its high marks, the CSS cooperates with foreign commercial security services. In cooperation with the German ESA from Bonn, for example, the organiza-

tions exchange information, consult with one another, and help with personnel training. The CSS hopes to widen such contacts to an even greater extent.

Alexei Kiselev views the main tasks of the service not only as the protection of domestic economic interests, but also, and to an even greater degree, the protection of the international market itself. The CSS seeks pos-



Alexei Kiselev, Dr. Sc. (history), 42, head of the Moscow office at 22 Tverskaya street

sibilities to expel fraudulent firms from the marketplace and create an economic environment operating in an optimal style. In doing so, the CSS strategy is to offer complete confidentiality to clients, but to deal harshly with deceivers.

Alexei Kiselev spoke of one example of fraud which the CSS had the opportunity to clean up. In the summer of 1991, General Director of a SPA

Anton Nenakhov, together with a Canadian-American business, began to arrange for a 2 billion ruble purchase of US goods to be sold in Russia. To raise the funds, they tangled several Russian enterprises in what seemed like a highly profitable operation. But things didn't work out that way. There were obvious delays in Russia due to the coup, and the contract was cancelled. But many participants in the bargain have yet to receive their money back, and Alexei Kiselev believes that Anton Nenakhov might have his hands on a good part of these funds.

Among companies which have used the CSS marketing research services there are many Japanese firms such as Nissan, Sappore Intertrading, and Ripp; the latter has established a long-term agreement with the CSS.

For foreign investors, the CSS also has some lucrative offers, which include marketing research and economic analysis in certain geographic or industrial areas, as well as help in establishing contacts with industries undergoing conversion in such previously closed cities as Chelyabinsk and Arzamas. Kiselev believes that one is an especially promising direction taken by CSS in the promotion of secret services devices. At the end of the month, a closed exhibition of such items will open at the All-Russia Exhibition Center. The aim of the exhibition is to demonstrate the high technological level of Russian devices, notorious to Americans after the scandal at their Embassy. Now, many designs are becoming available for trade and investment.

Yegor Alexeyev

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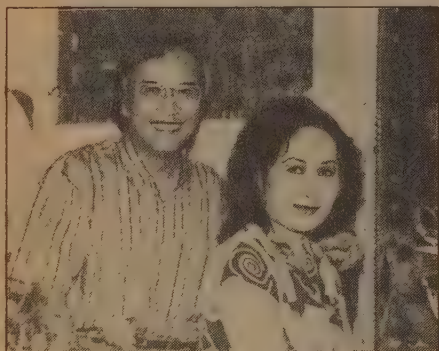
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Freedom or rice?



Dr Nguyen Dan Que with wife

Vietnamese dissidents also demand democracy, silently

became a practitioner. In May 1990, he wrote a series of articles devoted to the situation in the present-day world, including the Soviet Union and East European countries, and in June he was arrested on charges of having the desire to overthrow the people's government. He was kept in prison for one and a half years before the trial.

I was not admitted to the courtroom and was invited to the adjacent room for clearing up some formalities. The formalities had been cleared up by the time the trial was over. The trial ended quickly, and those present were somewhat disappointed. Perhaps they expected that Dr Que would make revelations and statements and set out his political credo. However, he refused to answer questions at the trial, stating that the court was not competent to deal with his case. Dr. Que's elbows were tied behind his back. The bill of indictment was then read out. It followed from it that "Marxism-Leninism is the inviolable basis for building socialism in Vietnam." Dr Que was sentenced to 20 years in prison and prohibited to write anything for the next five years.

The other defendant, the aged professor Nguyen Van Thuan, was sentenced to 10-years imprisonment. He was found guilty of reading the articles written by Dr Que...

have recently been captivated by the idea that economic successes are more important than political and spiritual freedom. Perhaps it would be difficult to contest once again the primacy of a mess of pottage over primogeniture if the flourishing Vietnamese economy were not a myth to some extent. The export of rice is attended by hunger in the central provinces, shops crammed with contraband goods are crowded by beggars and homeless people, and the multi-structure economy is accompanied by mass unemployment.

After the evacuation of American troops and the downfall of the Saigon regime, Communist functionaries rushed to the prosperous South. They occupied empty houses, whose owners, if they did not think it best to emigrate, had been sent to "develop new economic areas." In the past few years, the division of property has virtually been ended, and the authorities have set out to "attract investment" from foreigners of Vietnamese descent who "love their homeland." They are allowed to visit their native towns or villages, meet with their relatives and friends, and simultaneously make investment in the Vietnamese economy.

During my visits to Saigon I usually stop at an inexpensive hotel Cholon, the centre of the local trading world. During my last trip, I drew my attention to questions not typical for this hotel — people who returned from their business mission to Phnompenh. They wore neckties and carried briefcases. "A titbit is coming soon — international humanitarian aid to Cambodia," my acquaintance, a Vietnamese businessman, explained to me ingenuously.

Vietnamese gastarbeiters

The stereotype of a heroic people saving their homeland from the US aggressors has given way in our country to a no less stable notion. This is explained by the presence of tens of thousands of Vietnamese workers in the former USSR.

In his article, "Concerning the Realities of Socialist Cooperation," written two years ago, Dr Que wrote: "Those who come to work in the Soviet Union have neither any

By eight o'clock, a crowd of people gathered in front of the City Court building in the Namky Uprising street in Saigon. Shifting from one foot to the other on the dusty road, they cast furtive glances at each other, waiting when the doors would be opened. A woman who accompanied me, the wife of a man who was to appear before the court, gave me, under her breath, the names of people who had gathered here — a writer, a daughter of an artist who had emigrated abroad, a publisher well known in the past. There were practically no chance passers-by who usually make up the public at open trials, for their very presence here could be regarded as a manifestation of dissidence.

A hurried mock trial

At nine o'clock sharp, a prison jeep drove up to the court building. I managed to approach the defendant at the moment he was getting out of the car. "It's not allowed," I heard. The escorts rushed forward, taking the arrested man along with them.

Dr Nguyen Dan Que, who alleviated the suffering of thousands of patients, observed his 50th birthday in a solitary cell. He was born in Saigon in 1942, graduated from a medical college, received a scholarship of the World Health Organization for cancerologists, worked on probation and practised medicine in Belgium, France and Britain. On returning home in 1972, Nguyen Dan Que was appointed head of the oncological division at the Cho Ray hospital, the largest in Asia. After the reunification of Vietnam, he was thrown into prison on charges of opposition to Communist rule. In 1988, Nguyen Dan Que was released and

The myth of a thriving economy

Before his arrest, Nguyen Dan Que passed several of his articles on to me. When *Nezavisimaya Gazeta* (Independent Newspaper) in Moscow published his article, "Concerning Democracy and Freedom," in which he laid bare the role of Communist dictatorship in Vietnam, the Foreign Ministry of the former USSR voiced dissatisfaction, and one of subsequent issues of *Nezavisimaya Gazeta* (No. 44 of April 11, 1991) carried an article by a Foreign Ministry official praising the successes of the Vietnamese economy and expressing confidence that Vietnam "will cover its path to democracy in a worthy manner."

Many of those who write about Vietnam

professional skill nor, as a rule, the desire to acquire it. However, the officials of the regime overlook this fact, creating a whole system of bribes and money extortion for sending the naive Vietnamese unemployed as gasterbeiters to the USSR. In the Soviet Union, through their inability and laziness, or because they do not know Russian and are unable to adapt themselves in a foreign country, some Vietnamese gasterbeiters indulge in such social vices as speculation and prostitution and become involved in criminal practices. For this reason the Soviet population forms a new stereotype notion of the Vietnamese as a nation of swindlers, rogues and immoral elements. The leaders of the communist regime are entirely to blame for the low rating of our people abroad."

The forced (or sincere) loyalty of our journalists accredited in Hanoi often prompts them now to write about the theme of Vietnamese aid to our country — medicines for areas hit by natural disasters, coconut copra for victims of the Chernobyl tragedy, tea and canned food for our townspeople (by way of payment of the foreign debt). When Vietnamese newspapers published for the first time excerpts from our newspapers, revealing Hanoi's debt to Moscow running into billions of rubles, the news was like a bomb explosion for the Vietnamese public, for Oriental punctiliousness excludes the phrase "You owe me" even from the vocabulary of ordinary people.

"We introduced ourselves as Japanese"

The failure of the August coup attempt in Moscow last year was a lesser, but also a very bitter pill for the Hanoi leaders. A month before that, Oleg Shenin, now in prison as a man involved in the coup attempt, led a Soviet Communist Party delegation to the Seventh Congress of the Vietnamese Communist Party. It became known from trustworthy sources that only the diplomatic skill of the Soviet Ambassador helped the Hanoi leaders not to disgrace themselves. A message of congratulations to the emergency-rule clique in Moscow was already drawn up.

True, Vietnamese diplomats in Moscow did not prove farsighted. At a meeting of Vietnamese postgraduates, an embassy official drew a parallel between the August 1945 revolution in Vietnam and the August 19 events in Moscow. The comparison "lived" two days only. Muscovites rose to defend the Russian parliament's building, and one of the Vietnamese postgraduates, Buu Long, wrote a moving and sincere story about those terrible and beautiful days spent side by side with Russian boys. (The story appeared in the Moscow University samizdat magazine *Dan Viet*). "But one thing hurt us," Long writes. "We dared not admit that we were Vietnamese. We intro-



The prison building in Saigon is concealed from the public by optimistic posters

Photos by author

duced ourselves either as Japanese or South Koreans."

Though under the pressure of world opinion, the Vietnamese authorities have pretended lately that Vietnam does not shun democratization, repressions do not cease. *New Times* (No. 13/91) published "A Confession of a Vietnamese Dissident" — a letter from Duong Thu Huong, a writer. The magazine wrote then that she had been arrested. And it is said that this small fragile woman has been released, only because the wife of Francois Mitterrand interceded for her.

Another dissident, South Vietnamese writer, Vu Hanh, whose articles were published in *Moscow News*, has not been arrested. However, he is kept under the surveillance of the security service and his telephone has been tapped.

The authorities have recently freed Nguyen Chi Thien, an old poet, whose name was on the list of Amnesty International for three decades. A collection of his poems, "Colours of the Earthly Inferno," describing the humdrum life in Vietnamese prisons, has been translated into several languages. One of the poems says:

"Don't you feel pain?" the butcher asks with surprise.

"Or perhaps you're a hero," a party official jeers at me.

"Oh yes, I feel pain as if my body is tormented by flame.

"And I'm not a hero,

"I'm not a hero at all.

"But on the wood path, in the clutches of a beast,

"Who would think of begging for mercy?"

Silent processions

A dozen more old men have been set free, several years before they served their stan-

dard 20-year terms. Among them are generals of the Saigon army and top officials of the administration. But since, unlike them, Dr Que is full of strength and is not going to yield, he was sentenced to a 25-year imprisonment. Incidentally, the US Congress is considering the possibility of nominating him for this year's Nobel Peace Prize.

After the purifying storm, which swept through the former socialist camp, several Vietnamese parties have been formed: the Social Democratic Party of Vietnam, with its centre in Germany, the Free Vietnamese Union in Czecho-Slovakia, various fronts and movements, and even the government of Democratic Vietnam. But they are all outside Vietnam. The new Constitution, adopted by the Vietnamese National Assembly, contains many fine words about democracy and freedom and the legal protection of citizens. But even more high-flown words are said there about the wise guidance of the Communist Party and the inviolability of the one-party system.

Nevertheless, the Vietnamese people will cover their road to democracy. At the call of the Popular Front, people gather every Sunday at 17:00 in the Van Lau square in Saigon, in the Ba Dinh square in Hanoi, and in front of the Emperor's Palace in Hue. With downcast eyes, as if absorbed in their own concerns, they walk along the same routes and dissolve, having passed through several blocks. It is impossible to charge them with anything. They do not carry slogans or posters and do not organize protest meetings. They simply walk through the streets silently. And they do this every Sunday.

Irina Zisman

SAIGON-MOSCOW



On the national pride of the Russians – and others

The damage done to the interests of the Russians by those who call upon them to “be proud” should be exposed, above all. Pride is a mortal sin, by Christian standards, at any rate

Very long ago, my daughter, then a ten-year-old, asked me after school:

“Dad, is it true that the Russians have always won?”

That was how she interpreted what her teachers had told her in class. The kid had her doubts about that, however, and wanted to make sure.

I’m proud! What of?

That was what we called “patriotic upbringing,” which was believed to be one of the functions of the academic subject called “history.” In order to raise a patriot, it was necessary to create a false version of our history and to hammer it home to the child. The logical connection between “patriotism Soviet-style” and mendacity has become especially obvious nowadays. It has turned

out that we have nothing special to take pride in but a lot to be ashamed of. No substantive objections can be raised against that, but myth-makers insist that “painting our history black is educationally wrong”: an overly true account of our history, they imply, interferes with cultivating the sense of patriotism.

But there are many peoples other than Russian, and not only on earth, but in Russia proper, too. And each people has the right to be patriotic. Consequently, each has to create – on its own or with the help of a compatriot history professor – a convenient “patriotic” history in which the people in question has “always won” or at least “displayed feats of heroism.” Which of these histories is to be taught in school? What if a Russian and a Tatar start telling each other these versions of their histories? Won’t they end up in a fight?

I recall another talk I had recently with a friend of mine, a sensible and democratically-minded man having expert knowledge on the problem of nationalism.

"I am well aware of the dangers of nationalism," he told me, "I hate chauvinism, but I'm proud of being a Russian!"

"Would you kindly explain the meaning of this phrase to me?" I asked. "You are proud of something, consequently this 'something' is your personal achievement, isn't it, which neither a Ukrainian, nor a Georgian can boast of. Does that mean that they ought to be pitied?"

"Not at all, they should also take pride in being Ukrainians or Georgians."

"Why should they, for God's sake? After all, nationality is as much of a natural quality as, say, the colour of one's eyes, the shape of one's nose, or height. Supposing I take pride in being tall, and you take pride in being short. What will that mean to you or me?"

I got no convincing answers to my questions, I am afraid.

They have created a great power. Who are they?

It's funny hearing our former leaders say that they did not expect such an outburst of ethnic conflicts and such a rise in centrifugal tendencies when they launched the process of democratization. I believe them: indeed, they didn't know much about the country they ruled unchallenged for so long. But it is a shame that normal and otherwise quite intelligent "ordinary citizens" are also convinced that before 1985 our peoples were friendly with one another, and that it was malicious politicians who caused them to quarrel.

Gorbachev used to talk about our state having taken "a thousand years to build," and about his determination to prevent from disintegration what had been created by a titanic effort of many generations, "at the cost of much sweat and blood." Now this talk is echoed by the "patriots." Gentlemen and comrades, just imagine the reaction to the discourses about the great power having been put together "by a titanic effort, at the cost of much sweat and blood" from Tatars, Uzbeks, Chechens, Circassians, Moldavians and Ukrainians. On hearing these words, they say to themselves: "Some were building it, and others put up an armed resistance. Much sweat and blood was shed, indeed. The sweat was yours all right, but most of the blood was ours."

Ivan the Terrible routed the Kazan Khanate. Yermak "conquered" (the word used when we were more outspoken) Siberia. Russia gained a half of the Black Sea shore by force of arms. It took Russia almost half a century to conquer the Caucasus. Russia

began to "advance" (a word from the time when euphemisms came into use) into Central Asia. Let us ask ourselves: did the peoples of all those territories invite us? Great-power patriots will immediately bring up the Georgiyevsk Treaty, the Council of Pereyaslav, the agreements signed by several principalities of Daghestan and Central Asia with the tsarist government.

It is ridiculous to talk about the peoples' free will in these cases, and it is more ridiculous to claim that those treaties and agreements were observed by the tsarist government. More often than not, even such fig leaves were dispensed with as Russia committed acts of ordinary conquest, aggression and annexation, followed by undisguised colonization. In 1864, after the war was over, an agreement was reached with Turkey on resettling a large proportion of the Circassians there. Then ships with Circassians on board were deliberately sunk in the middle of the Black Sea — just in case, lest the exiles should come back.

Stalin's repressions with regard to whole peoples are common knowledge. Let me only make it clear that these repressions came in punishment for the Chechens', Ingushes' and other peoples' national liberation struggle against Moscow, not merely for their "collaboration" with German occupiers.

"Let bygones be bygones," some say, "let's not foment further tensions among peoples." We in Moscow may, of course, let the dead bury their dead, but the descendants of the victims cannot forget anything. We wonder why the Chechens are so excited, why Tatarstan does not want to let well alone. If we do not understand their thoughts and actions we shall, more likely than not, persist in our faulty ethnic policy. For example, the decree on introducing the state of emergency in Chechen came from our leadership's sketchy knowledge of the Caucasian War. The reaction to the Tatar referendum is explained by our ignorance of the fact that the bitter feelings about the 1552 defeat lie deep in every Tatar's subconsciousness.

The humiliation of others does not hurt

Territorial expansion through conquests has been common practice in history, after all. In our case, the trouble is that the atmosphere of conquest has been kept alive. We haven't even taken the trouble of erasing the sorrowful memories somehow. Instead, we have created the myth of "the unbreakable brotherhood" of the peoples. Ordinarily, colonialism is moderated by anti-colonial agitation conducted in the parent state, by the economic relations between a colony and the parent state, for all their non-equivalence, being based on the law of cost, by the political colonial regime acting

within the framework of laws, even though laid down by this regime itself.

Communist rule is of an entirely different kind. It does not put up with any criticism, let alone any resistance to it neither at home, nor in the outlying parts of the empire. It does not reckon with laws, even with those established arbitrarily. It plunders natural resources without giving a thought to the future. It exerts a sustained effort to exterminate the cream of the nation. Of any nation, the ruling one included, of course. It is cold comfort to non-Russian peoples that the Russians exterminate the cream of their own nation, too. This dull power, alien to all, was identified with the Russians in the "provinces."

If new Russia succeeds in putting an end to the situation where the Russians are regarded as "Big Brothers" and in making Russia a state of all its peoples, then there will be a chance to preserve Russia. This is an uphill job which calls for a clear-cut conceptual programme of action and day-to-day efforts. It is now fashionable to quote Chekhov as saying that one has to squeeze the slave out of oneself drop by drop. One should also think of ways to squeeze the chauvinist out of oneself.

I was in Kishinev in 1989. There was an "arc of triumph" on its central square with the decree on annexing Bessarabia and forming the Moldavian SSR in 1940, the order of the Commander-in-Chief to free Kishinev in 1944, and other charters inscribed on it. The arc was semi-circled with stones bearing the dates of the supposed landmarks in the history of the country and of the people. Let me quote them from memory:

17th century — the formation of the Moldavian feudal state.

1812 — liberation of Bessarabia by Russian troops from the rule of Turkish pashas.

1940 — liberation of Bessarabia by Soviet troops from the rule of Romanian boyars.

1944 — liberation of the Moldavian SSR by Soviet troops from German Nazi occupiers.

1950 — the completion of building socialism in the Moldavian SSR.

Except for the inscriptions on the first stone (one has to begin somewhere) and on the last one (the date of appointing Brezhnev First Secretary of Moldavia), all the others crudely imply that the Russians have done Moldavia a world of good. What about the Moldavians themselves, have they just stood idly by? This is an example of thoughtless propaganda which only went to foster anti-patriotism with regard to the USSR, the rulers of which thus denied the Moldavians a role in their own history.

There is no justifying, of course, the extremes Kishinev has gone to in its cultural and language policy; there is no doubt that its unwillingness to enlist the cooperation of non-Moldavians, whom Kishinev has prac-

tically ostracized, is unwise politically; I am sure that Moldavians have largely to blame themselves, too, for the present crisis, but now I am talking about something else. Years of neglect for national culture and national languages bring a reaction which we regard as an over-reaction only for the reason that we cannot fathom the depth of the national humiliation of others.

Russian glory.

What about Tatar glory?

In school children studied "The History of the USSR." This is a sound idea: Soviet children had to study not "The History of Russia" but the history of all the peoples who have lived, and still live on the territory of the USSR. But let us recall the textbooks we used.

The appendages like the history of Urartu state, Mongol conquests and Tamerlane empire did not change the fact that all over the land — from Vladivostok to Klaipeda and from Taimyr to Kushka — children had to study the history of Russia only, as a matter of fact. A Soviet child — and a Soviet adult, for that matter — learned nothing about the history of the Kazan, Astrakhan, Siberian and Crimean Khanates, about the states of Central Asia with their ancient culture, about many other peoples who had, or had no, statehood.

In 1980, the 600th anniversary of the Battle of Kulikovo was celebrated in the country. We had won. But who had lost? Our Tatar brothers, our compatriots, whom we now want to live in peace and friendship with. We would like Tatars to call themselves "Russian citizens" now. To use the language of Party documents, the celebration of the Battle of Kulikovo was a major political mistake. If we are for friendship among nations, then the Battle of Kulikovo should be recalled as a tragic clash between brothers, as a civil war in which, as we now know, there can be no winners.

If Russian glory comes first to us, if we continue to think in terms of our true faith fighting against the infidels, then everything is logical. In that case, however, we have to say goodbye to the hope of ever building a multinational state.

Now it is fashionable to say that Russia is not a Slav state, that it is Eurasia, a Slav-Turkic union.

Sergei Stankevich engages in wishful thinking. "Our state has emerged and taken firm shape as a unique historical and cultural alloy of Slav and Turkic, Russian Orthodox and Moslem elements," he says. Actually, there has never been any such alloy which is hardly possible in any case.

As far as I know, Islam cannot be "alloyed" with anything else. This seems to be true of Russian Orthodoxy, too. "Alloying" aside, elementary **mutual respect and mutual understanding** would do. In the



Does Russian nationalism exist? Thus far that is little in evidence

overall context of this article I should like to call upon the Russians, above all, to wake up to the fact that the Russian nation is not the only pebble on the beach, that their religion, their way of life, their customs and habits and their language have no serious advantages over other nations'. It is in their interests to establish human, respectful and equal relations with others.

Patriots have broken down the Union

It is actually the "patriots" who have broken down the Union and are now breaking down Russia. Each phrase like "We shall not put up with disintegration," "The Union has been and will remain," "We demand restoration of 1945 borders" drives another nail into the coffin of our former state. Mistrust of Moscow is mounting as a result. In the outskirts of the former state, fears that everything may return are intensifying.

What do we need? Great Russia in the sense of a Great Russian State? This would mean a permanent struggle against the "aliens." Or great Russia in the sense of a prosperous state of Russian citizens? In that case we have to apply ourselves in earnest to removing the psychological incompatibility among our peoples — an effort which will take years. This is a neglected disease, as illustrated by disgraceful anti-Semitism.

We have got a new government now. A government statement on anti-Semitism, on it being illegal and criminal, plus a number of public trials like that of Ostashvili, would be of great help. They will hardly cure grassroots Judophobia, but will

certainly have a healthy effect on those whom their official position obliges to know better: civil servants, research workers, ideologists.

Why doesn't this happen? Why does President Mitterrand of France take part in person in a demonstration of protest against the desecration of a Jewish cemetery, while an analogous demonstration here is not attended even by a minor official, let alone the President? I have the impression that the government is **afraid** of striking out against the anti-Semites in the open — they are too vociferous.

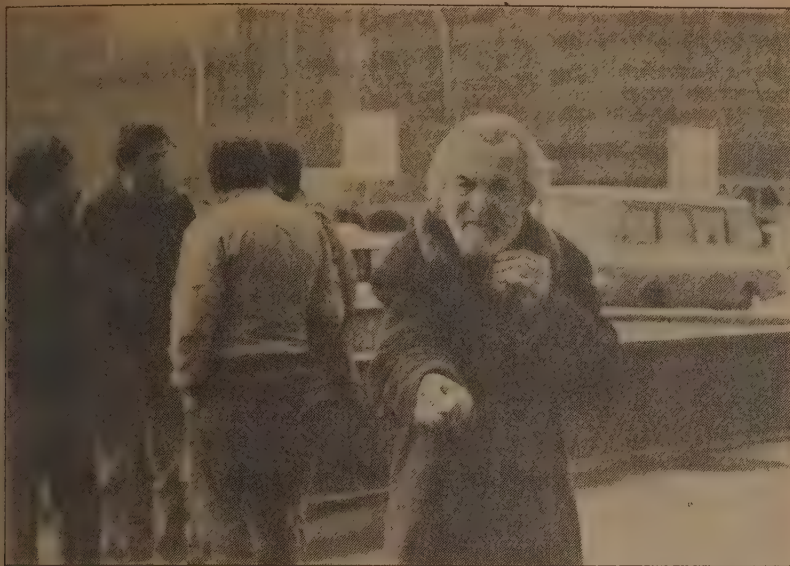
Well, it shouldn't be. The anti-Semites become impudent only if unopposed.

A great nation

Democratic politicians and democratic publicists are even more afraid of "patriots," Rusophiles, the adherents of the "Russian idea," "great-power jingoists," or whatever they are called. All those people are believed to exploit a very fertile ground which should not be left under their full control. The Russian people are believed to be ready to make every sacrifice and to accomplish anything for the sake of the "Russian idea." Personally, I see all this in a different light.

The Russian people are averse to adapting themselves to others and have a mild (which is very important!) or indifferent contempt for aliens.

Nevertheless, the Russians do not hate any other nation, and chauvinists of every description or populists who believe themselves to be more decent than the former will never succeed in stirring up such hatred.



The Russians are ruined and humiliated as much as all former Soviet peoples. Which sure is no consolation

The whole thing is that the Russians are a great nation.

This is not flattery, simply a statement of a certain quality characteristic of certain ethnoses. The Russians lack the inferiority complex which is usually the source of militant nationalism. This complex is found only among those Russians who may be described as semi-educated riff-raff. Unable to appreciate other nations' values, they think up "their own" such as "the special mission of Russia," "Russian spirituality," and so on.

I really wish the process of disintegration could be stopped or even reversed. Everyone of us, in his heart of hearts, is for the Union. But at what price? What some mean by a "high price" — namely, a heap of corpses — is no price at all because it won't buy us anything except an endless war. A real high price is new national thinking, the cultivation of internationalism (or cosmopolitanism — the choice of term is yours). This is a truly high price because many will not be able to afford it, and it's no use paying it unless everyone makes a contribution.

What I'm saying is that the "Russian idea" won't help us either to strengthen the CIS, nor to preserve the Russian Federation. The "Russian idea" is a bull in a china shop.

To take over the initiative. From whom?

Leonid Vasilyev (see "The Russian Tragedy," *New Times* Nos. 9-10, 1992) is seeking a way out for those who really mean well by Russia. He is sober-minded

and logical: "Under the present circumstances, any overt manifestation of national-patriotism... turns out to be a manifestation of the great-power ideology." "The Russian national idea today... is incompatible with liberal-democratic principles."

His capacity for logical thinking fails him, however, when he starts formulating recipes for a "general reformulation" of the Russian idea. "Democratic" (emphasis mine. — L.A.) journalists, non-fiction writers, scholars and political figures, and cultural workers and clergymen must expound and comment on events of Russian history, achievements of Russian culture, the lifestyle, ways and customs of the remote and recent past."

No journalist or publicist bears a label saying, in block letters, "Democrat." Supposing he traces the course of Russian history and comes round to Dmitry Donskoi and Sergiy Radonezhsky who rallied the Russians to fight against the Tatars, to the battle on Kulikovo field. "All this must," Vasilyev writes, "instil in the people the pride for their past." It will, no doubt. However, these very texts, set forth "in the spirit of pride" for the Russians, will also revive anti-Tatar feeling (very much alive as it is) among the Russians, and will further alienate the Tatars. And all these articles and TV programmes will be quoted by chauvinists with the refrain: "Even the democrats admit that..."

Why not try an entirely different tactic based on liberal-democratic values? Asks Vasilyev (I've heard the question many times before): "For how long is it permis-

sible to retreat under the pressure of separatists?" By calling national liberation movements "separatist" we drive another small nail into Russia's coffin. One can retreat endlessly if one does not assume the offensive. By "offensive" I do not mean an armed onslaught, of course, or a verbal one of the "Stop them!" kind.

Why not instead of trying to take over the initiative from Russian national-patriots try and take over the initiative from non-Russian nationalists? For as long as we pass over in silence the brutalities of the tsarist troops and authorities in the Caucasus, do not pay tribute to the heroes of the national liberation wars and show no interest in the achievements of non-Russian peoples, historical facts will be used against us, against the Russians, to destroy precisely the Russia we want to preserve. On the other hand, if we reproduce our historical background in its true perspective, assess the facts of history without bias, and show repentance for our great power's annexation of other peoples' territories, local nationalism may recede and stop fostering Russian chauvinism.

We ought to make it clear to the non-Russians that the Russians will no longer lecture to them or look down on them, that the Russians are prepared to respect their neighbours. It is precisely the Russian authorities of Russian-speaking communities that have to open Mordovian, Tatar and other schools and create centres of national culture; it is only if they do so that they may reckon on reciprocity and the Russian minority in non-Russian republics will enjoy the patronage of local administrations and governments.

Will the Russians have the determination and decency to uphold their genuine national interests in such a civilized and humane way? I don't know. But why not follow other great nations' example? We know more about the way they treat Negroes in America than about the way the Asian "chicks" are treated here. But the problem of racism is being dealt with over there. American schools were desegregated a few years ago. Black children were taken to the once "white only" schools by special buses, under white policemen's protection and over the racists' desperate resistance. By now, desegregation has become normal practice. Or take another great nation — the Boers of South Africa. They have deliberately waived their racist privileges which were part of their way of life. If they can act in this way, why can't we?

Leonid Alayev,
Editor-in-Chief,
Vostok magazine

Photos by Georgy Pinkhasov

The case of Doctor Trushnovich

**A story
hushed up
by the KGB
and also
by its
successor,
Russian
State
Security
Ministry**



People living next door to Gláske speak about frequent jamborees in his flat. That is why on hearing cries between 19:30 and 20:30 on April 13, 1954, they didn't pay particular attention. Only one chance witness asked if a drunk was carried down the stairs

Recreation of the crime: according to witnesses, that was how Doctor Trushnovich was carried out of the house

The case of Dr Trushnovich represents a mysterious and tragic story in the work of an active Russian émigré organization, the Popular Labour Alliance (NTS). It recalls the fate of Raoul Wallenberg. But if the kidnapping of the Swedish diplomat by the Soviet secret service is a well-known story, then the disappearance and ensuing death of Alexander Trushnovich who saved thousands of our compatriots isn't known to the general public.

**From a report
by the West Berlin police:**

"April 13, 1954, leader of the Russian émigré organization, Alexander Trushnovich, 61, was kidnapped from West Berlin, when he went, at about 19:30, to visit the President of the Wilmersdorf Returned POWs League, Heinz Gláske, residing on the second floor of 11 Heilbronner Strasse in Halensee.

"Between 20:30 and 20:45, a man was seen going downstairs and carrying on his shoulder an unconscious man of the height and in clothes of Alexander Trushnovich. He was followed by an unidentified woman and, at a distance, by Herr Gláske. When asked for an explanation by a

woman who met them, Herr Gláske hushed her down with a gesture and said: 'We're off to a hospital.' Herr Gláske was carrying a carpet under his arm.

"Outside the house, the company got inside a chauffeured 1953 limousine which was waiting for them, and drove away."

Later came reports about two cars, one of them, a Škoda belonging to the Polish diplomatic mission and carrying a CD sticker. That Škoda was the only car to cross the border between East and West Berlin in the night of April 13, 1954.

"The incident was reported only after Herr Gláske's relatives had returned home after 23:00. Police summoned by Frau Gláske found blood marks in the hall. Gláske's dog was also injured and yelping. The hall was lacking a floor carpet."

The East Sector's radio and the ADN news agency reported Trushnovich's alleged defection to the East and breaking away with the NTS. It was also reported that Trushnovich brought with him one of the agents of Gehlen organization. However, the police immediately stroke off this version and concluded that "Trushnovich had been kidnapped on



Tuesday" by Soviet state security agents from the Soviet Occupation Zone on the instructions of the Soviet authorities. Trushnovich, the police said, had been hit on the head with a steel rod and immobilized into sleep with an injection.

The West Berlin police also learned that Gláske had been cooperating in the kidnapping organized by a certain Paul, who was state security major and organizer of another kidnapping — that of a West-Berlin lawyer Linse in 1952 — as well.

So, Alexander Trushnovich was brought by force to East Berlin and then, as it has recently become clear, to the USSR. That terrorist act against him was conducted on the territory and under the jurisdiction of another state, and Trushnovich himself wasn't even a USSR citizen.

Reasons

In the late 1940s and early 1950s, Stalin and other Soviet leaders decided to launch a war against politically active émigrés, primarily activists of the NTS. The decision was implemented in a wave of assassinations, explosions, murders, abductions, acts of poisoning and provocations:

The unmasking of three Soviet agents aiming to kidnap Georgy Okolovich, Chairman of the NTS Executive Bureau (June 1951); creation of a trap NTS cell in Thuringia by Soviet agent Walter Novak (May 1952); kidnapping of Valeri P. Tremmel of the NTS by Soviet agents Gennady and Maria Volkovs and Rudolf Gintner (June 1954); kidnapping of Georgy Khrulyov of the NTS from the site of the monument to the Soviet Army in West Berlin (autumn 1954). Later Khrulyov became an inmate of the Soviet Gulag; attempted kidnapping and actual murder of the NTS member Sergei Popov (1955); blowing up of a block of flats housing families of NTS members in Sprengling near Frankfurt-am-Main (July 1958); bombing the Posev Publishing House headquarters in July 1961...

In 1954, Alexander Trushnovich was one of the NTS's leaders, which was enough to become a target for a terrorist act.

Moreover, since May 1951, Trushnovich chaired the Free Union for Russian-German Friendship (with Prof. Ernst Reuter, Berlin's Burgomeister, as the honorary chairman). The Union was active among the Soviet occupation forces in Germany, spreading leaflets and brochures

among Russian soldiers. The Soviet authorities feared weakening of the soldiers' morale and therefore had good reasons to hate the Union. During the cruel crushing of the June 17, 1953, uprising of East Berlin's workers by the Soviet and East German forces, some Soviet soldiers refused to fire at the Berliners and paid for this with their lives.

Since September of 1950, Alexander Trushnovich represented the Hamburg-based Committee for Aid to Russian Orthodox Refugees in Berlin. Later he founded a similar organization in Berlin (the mention of religious confession in the title of the organization was necessary, since a charity social organization could, according to the legislation then in force in the oc-



Heinz Gláske: victim of unfortunate circumstances or a Soviet spy? Gláske vanished after Trushnovich's kidnapping. Eastern radio reported that Trushnovich had allegedly brought with him one of Gehlen's agents

cupied Germany, be registered only as a religious one). The Committee was helping the so-called "displaced persons," or Soviet people who turned up in Germany after WWII, by way of consulting them and finding jobs for them. The Committee saved many people from being turned out to the Soviet authorities and was warning former POWs against returning to Russia which often spelled death or long prison terms for them. The Committee also helped refugees from the East, the number of whom was steadily increasing.

I believe there was yet another reason for the kidnapping of Trushnovich. Moscow evidently decided to recruit one of the NTS's leaders, which could start a wave of break-

ing with the NTS and defection to the East. But following a failure of recruiting, the Soviets decided to abduct one of the most respected leaders of that organization and extort a public repentance from him.

However, the design proved to be faulty once again. Nevertheless, the East German *Tägliche Rundschau* published, in April 1954, an article signed by Trushnovich's name. The title was: "Why I Broke Away With My Past." But it was a weak move. In case of success, the Soviet side would rather exploit the "repented" live — in meetings with the public, lectures, and radio programmes. But this time there wasn't even a single photo of the "repentant" dated after April 13, 1954, published.

From a letter by Zinaida Trushnovich to Vyacheslav Molotov (May 19, 1954):

"I came to Geneva in order to be able to speak with you in private. My husband and I were together for 36 years, and I wish I could join him anew now when he is advanced in years. I will live with him in any country he chooses for his residence. But he must be able to make this choice freely. I repeat that I'm in Geneva now, and there are air flights between Switzerland and East Germany daily.

"I believe that my husband would have come here to Geneva any time if he were free to do so. Let him do it and this would put an end to my doubts about the circumstances of his disappearance, which he would clarify to me personally when we met."

As a matter of fact, Zinaida never received an answer from Molotov. However, she received letters from Winston Churchill, Willy Brandt, USA's UN representative Henry Lodge, and many other politicians, containing resolute disapproval of the terrorist act against her husband and a demand for his release.

Zinaida died in Germany three years ago, having clarified nothing in the matter.

Slovenian, volunteer, refugee from Russia

Historian, artist, and publicist Yaroslav Trushnovich, son of Zinaida and Alexander, born 1922 in Yessentuki, Northern Caucasus, is living in Frankfurt-am-Main. He is member of the NTS and worked as Editor-in-Chief of the *Posev* magazine in 1974-84. He was blacklisted by the KGB and there-



Russian Refugee Aid Committee in Berlin. Alexander Trushnovich personally helped many refugees

Along the border between East and West Berlin there were stands describing the Committee's activities

fore couldn't visit the USSR. This is what Yaroslav says about his father:

"Alexander Trushnovich was Slovenian, rather than Russian, as he was widely believed to be. He was born December 14, 1893, into a family of a railwayman in Postojno, Slovenia, which was part of Austro-Hungary. He went to a lyceum in Gorica and then studied medicine in Innsbruck and Vienna and, later, literature in Florence.

"In 1914 father was drafted into the army, went to a military school in Slovenia, was commissioned as a Fähnrich (junior officer) and sent to the Russian front."

However, Alexander Trushnovich didn't intend to fight against Russians. There were many instances of "fraternization" with Russian troops in WWI. The Austro-Hungarian Prague Regiment manned with Czechs marched to the Russian side in state, with the regimental band playing... Trushnovich deserted his unit and went to the Russian side during preparations for an offensive operation. He was sent to be screened away from the front, to the Tambov Region. In December 1915 he petitioned with the Tsar Nicholas II and was accepted to the Russian army's First Serbian Division of Volunteers. The division was sent to fight near Cernavoda. After heavy fighting,

its strength reduced from 16,000 to 1,500 by the end of August 1916.

"My father was badly wounded and recovering at a hospital in Yekaterinoslav (Dnepropetrovsk) when he met his future wife and my mother who was a medical nurse since before the war.

"For his valour my father was decorated with the highest Serbian Order of the White Eagle with Swords and the Russian Order of St. Anna, 3d Grade. After the hospital, he returned to his unit. However, the division was disbanded after the February Revolution in Russia, and men and officers were sent to the Salonika front in Macedonia."

Many of them, however, preferred not to leave Russia, my father included. They enrolled in the Russian army. Father was dispatched to a regiment under command of General Kornilov. After the Provisional Government arrested General Kornilov and the front collapsed, Trushnovich organized a small unit from Czechs and Serbs and went to Vykhov to guard the General. After the White Army of volunteers was set up in Russia's South, Trushnovich sneaked down there and was accepted as a commander of a machine-gun company in the 3d Kornilov Regiment, in Novocherkassk.

Trushnovich was taken prisoner during an offensive of the Red Army.

"My father was arrested by the Cheka secret police," says Yaroslav. "Two times his name was included in the execution lists. And each time he was saved by Serbs employed by the Cheka, his former subordinates."

Trushnovich lived in hiding in Yekaterinoslav, Rostov-on-Don, and Yessentuki. He even had to register his son Slava under a different surname, Franz. In autumn of 1922, Trushnovich managed to get new documents for himself, referring to him as Gostysh which was his mother's original name. Under the alias of Alexander Gostysh he graduated from the Krasnodar Medical Institute. During the farm collectivization campaign he, as a doctor, witnessed the macabre scenes which accompanied the emergence of collective farms. During the ensuing famine, he was a member of a medical commission ensuring the absence of human meat in meat products.

In those times, the Soviet government tried to mend relations with countries of the Little Entente, and some Yugoslavs were issued permits for emigration. The Gostyshes were one of those families. In February 1934, Alexander Trushnovich, his wife and son went, via Warsaw, to Ljubljana for a reunion with his relative over there.

In the October of the same year he was introduced to some members of the National Union of the New Generation, the predecessor of the NTS. Trushnovich joined the NTS early in 1941. He also collaborated with the Serbian anti-communist Sbor organization headed by Dimitrije Letic.

Since 1941, Dr Trushnovich was Belgrade's general practitioner and also the coordinator of the NTS's activity in the German-occupied Serbia till 1944. The NTS which proclaimed itself "the third force" (consolidating neither with Hitler nor with Stalin) was banned by Hitlerites and had to work underground. Dozens of members of that Union died in German prisons and concentration camps.

The NTS was actively working among the men of Vlasov's Russian Liberation Army. Trushnovich himself became, in September 1944, Deputy Chief of the Sanitary Service of the RLA. In April 1945 he tried to establish contact between the RLA and anti-communist guerrillas in Yugoslavia. However, he was taken prisoner in Tyrol by the advancing units of the allied French army.

"Since July 1945 we'd been living in a camp for Russian refugees in the village of Mönchenhof in Germany," his son told me. "But later, Americans

Name them!

Re: my interviews in NT issues Nos 39/91 and 14/92.

The former interview was never meant for *NT*, and its publication in the magazine was a surprise for me. I tried to identify the source of the publication but failed. True, I gave the latter interview to L. Mlechin and T. Chernova, but its presentation also caused my indignation.

The very words highlighted in the magazine about the NTS pulling through only because the KGB needed it were not mine but rather belonged to a retired officer from the KGB Fifth Directorate who wished to remain anonymous.

It's amazing that the unsubstantiated opinion of that KGB man was presented as cogent proof. Allegations that the NTS would have collapsed as an organization had the KGB not been bolstering it with its own agents (according to unofficial admittance of many KGB men) is less than convincing.

The source alleged that the KGB had "planted" a number of well-known dissidents in the NTS. In fact, only one well-known dissident — Alexander Galich — was member of the NTS.

The source was meaningfully silent at the interviewers' words about

the absence of KGB agents among the NTS's secret sector. He preferred to speak in terms of the Russian émigré world in general rather than about the NTS in particular. He pointed out that I, Boris Miller, couldn't even imagine the cunning with which KGB infiltrated its men into Russian emigration.

I believe it's time for the Russian public to know the whole of the truth, and all excuses about vulnerability of certain information must be dropped. I challenge that anonymous ex-KGB source disclose the names. But don't mention Khorunzhy or Astemirov (former printers at the Posev Publishing House), or Surkov. Instead, name those people (I'm sure you won't, since there are no such people in existence nor ever have been) who, as you say, helped your Fifth Directorate.

If one wants to be taken for a serious person responsible for his words one must specify facts and names.

As a matter of fact, the NTS emerged in 1930 with the aim of serving Russia. Throughout its history, the NTS recruited its members only among the people who were prepared to embark on uncompromising struggle for the sake of a better future for Russia. Many people whom I know well refused well-off Western life for the sake of serving Russia. Therefore, I object to your labelling us as people with base motives.

I won't be far off the mark if I say that the NTS has largely contributed to the present revival of democracy and freedom in Russia.

Boris Miller

under pressure from the Soviet side — disbanded the camp. My father attempted to establish a Russian hutment in Bad Homburg, including a boarding house and a lyceum. Concurrently he practiced his medical profession and even published a small medical journal. In 1947 he wrote a book, *Russia and Slavic World*. It didn't take him long to write it.

"In September 1950 father becomes the head of the Russian Refugee Aid Committee in Berlin. Agent provocateurs attempted to infiltrate the NTS. However, they were not hard to identify. In the night they used to make telephone calls with death threats. Sometimes they even shot a gun near the telephone to frighten us."

Closed for "technical reasons"

The Russian state security bodies admitted the fact of abduction and murder of Dr Trushnovich only as late as January 16, 1992, yielding to pressure brought to bear by public requests, including parliamentary requests initiated by the Alexander Trushnovich Public Committee rallying, since September 15, 1991, democratically-minded journalists and politicians of the new generation. The admittance was made by Col. Alexei Kondaurov, deputy head of the Russian Federation State Security Ministry's Public Relations Centre.

Col. Kondaurov received the first official request to clarify the matter

about the case of Dr Trushnovich in November 1991. At first he even failed to file a report about the request with Bakatin, his chief, breaking his own promise to do so within three days. More efforts were required to start the investigation. However, the investigation didn't take long to be carried out: the version about the Soviet abduction aided by East German secret services has been corroborated to a tee. Some time later the Committee even learned that some of Trushnovich's personal items were still kept among the archival materials.

Shortly before the official recognition of the Russian Federation State Security Ministry, on January 15, the present writer was summoned to the Lubyanka secret services headquarters. Col. Kondaurov revealed to me that the Soviet secret services were actively working against Trushnovich and even studied his life closely. He admitted that Lubyanka had been directly involved in the kidnapping of Trushnovich from the British Sector of West Berlin and that the current chiefs of the secret service were interested in the removal of the shroud of secrecy from the case. In its endeavour to obliterate this smear on its predecessor's history, the Russian Federation State Security Ministry PR Centre asked me to invite Yaroslav Trushnovich to Moscow to hear the true story of his father's death. Col. Kondaurov also told me that the state security agency was preparing a package of materials

pertaining to the case of Dr Trushnovich — including xeroxed copies of documents, operative ones included, personal belongings — to be given to Yaroslav Trushnovich. The work of compiling the package was supposed to be completed by mid-February of 1992.

But throughout February and March there's been no realization of the promise of the entry visa for the Trushnoviches. My requests of information have since then been brushed away by the new PR officer in Lubyanka, Andrei Chernenko, who either keeps silence or claims some mysterious "unexpectedly emerging subjective factors," "internal causes," or "technical reasons."

This March, the Executive Bureau of the NTS even issued a press release, saying, in part:

"The Russian Federation State Security Ministry PR Centre has failed to fulfil its promise to supply the documents and arrange a meeting with Yaroslav Trushnovich (residing in Germany), claiming some 'internal problems and discrepancies' as an excuse.

"We see that certain forces within the Ministry are stalling the process of revelation of the truth about Dr Trushnovich in order to conceal this truth as well as the truth about other crimes."

Mikhail Gorbanevsky

Introduced by
New Times analyst
Rostislav Zolotaryov

The experience of the first Russian revolution compelled part of the Russian intelligentsia to ponder over how it happened that awakened passions and the excited masses shook the very foundations of the civilized world, how the crowd led cunning demagogues to power and demagogues skilfully manipulated the sentiments of the crowd. This is how a collection, entitled *Vekhi* (Landmarks) appeared. The October Revolution compelled the authors of Landmarks to update their conclusions in another collection, entitled *Iz glubiny* (From the Depth). However, by that time a new trend,

The Change of Landmarks, had been formed. Its representatives believed that since the revolution became a fact, the energy of the masses should be directed into a constructive channel and the regime's transformation promoted.

One of the leaders of The Change was Russian scientist and lawyer Nikolai Ustryalov. Before the revolution, he was a prominent member of the Constitutional Democratic Party. After the revolution, he joined the Russian White movement for a short time. But, disappointed with the movement, he left it and began to advocate the "building of bridges." Ustryalov predicted a new economic policy in 1918, and it was initiated soon indeed. This encouraged him and those who held the same views. In the opinion of representatives of

The Change of Landmarks, cooperation with the Bolsheviks, who, they believed, saved Russian statehood, could help bring the country back into the channel of civilized development.

At the same time, Ustryalov continued to study the character of the Bolshevik regime and "the crisis of European constitutional democracy," witnessed by him. His fate proved tragic. He lived in China and worked at the Chinese Eastern Railway. Still cherishing hopes for the transformation of Russia, he returned to his homeland in 1935. In the Constitution of 1936, Ustryalov saw the restoration of the foundations of democracy; he underestimated the totalitarian system and the "talents" of Stalin, "the best friend of the railway workers." Arrested in 1938, Ustryalov vanished into the labyrinth of prison camps.

FROM THE
XXth
CENTURY
POLITICAL
THOUGHT

In spite of Ustryalov's errors, his legacy is of great interest for us, and today we publish excerpts from his works about fascism and Nazism. The publication was prepared by Ivan Zadornzhnyuk.

Politics and the masses

Nikolai Ustryalov (1890-1938)

The beginning of the 20th century was marked by the awakening of the broad masses of the people... Among the radical changes brought about by the world war, special mention should be made of an unusual crisis of state forms connected with distinctive new ones. It was not the war which engendered these phenomena. On the contrary, it was a result and sign of their maturing reality. It merely brought out and emphasized these phenomena. They developed in the 19th century and evidently represent something natural.

... As fate has willed it, Italy and Russia are becoming the focus of general attention. The downfall of the Hapsburg and Hohenzollern dynasties and sultans did not shake the world very much and did not compel scholars to revise some of the outdated notions about the state and law, it was as if Morgan or Rothschild went bankrupt, no more.

However, the events in Russia and Italy raise the question of an essential reappraisal of many principles on which the constitutional and democratic state rested...

Mussolini learned the experience of the Russian revolution better than Socialists. It was an instructive lesson of "mass action" taught by the Russian revolution to the politicians in all countries. The duce understood the importance of centralized guidance in revolutionary times, the need to combine persuasion with coercion or, as Sorel said, the myth with *action directe*. (Georges Sorel — a noted French sociologist and socialist, who advocated syndicalism and the corporate organization of power; his ideas were extensively drawn upon by fascist-oriented parties. — Ed.)

This explains the military organization of a political party, on the one hand, and broad propaganda captivating the masses, on the other. Propaganda needs catchy and fiery slogans that (and this is most important) are harmonious with the dynamics of the main social interests of the epoch. Fascism has found such slogans...

No wonder that Mussolini has never concealed his respect for

Lenin. He rejects formal democracy as an obsolete political form of the plutocratic epoch. He talks about the state of labour. He agrees with Bolshevism in the flat denial of freedom as an end in itself and in the assertion of the primacy of the state over the revolting individual. The duce imitates Bolshevism in the methods of organization, in the building of party dictatorship...

The epochs of grave social crises are always accompanied by a break-up of foundations and ties in political life. People begin to have doubts whether the old principle of government is indisputable indeed. Deprived of life-giving contacts and real mutual understanding with the broad masses of the people and their active strata, the governing institutions begin to decay. National life, if it has not been exhausted completely, finds new, other ways of self-assertion besides the decrepit official bodies. A new ruling stratum is established. It can be said that history changes its horses.

Paving the way to power in a situation of public disarray, political confusion, a general decay of social morals, and a decline in respect for law and order, the members of the new stratum are forced to act in a revolutionary way and, hence, in an authoritarian and violent manner. Thus, as a result of anarchist sentiments, a soil favourable for dictatorships appears. "Anarchy can be abolished only by means of despotism," Hippolyte Taine noted in his day. (H. Taine, a noted French historian and sociologist. — Ed.)

Fascism has fully adopted Lenin's idea of party dictatorship and his principle of a centralized organization of a party. It can even be said that the fascists have implemented the hierarchic principle more frankly and straightforwardly than the Bolsheviks, who constantly declare their devotion to the principles of "inner-party democracy." The state is a party. The party is the leader, duce. The ruling party is an organic selection, the elite, and not the "people's representation." The state must be run through the elite for the people, not through the people against the elite — down with quantity, welcome quality. The present elite of fascism is an extract

from the middle classes. It is a new ruling stratum. New times, new people.

The fascist pattern of history is incompatible with any "united states." Either fascism everywhere — and then we have the Hegelian panorama of historical dialectics, or a basically new concept of state — and then we have "united states." Between these two extremes, closer to the first one, winds the path of real historical life. The Russian revolution is fully imbued with the optimism of the second extreme, the idea of a coming international brotherhood. Incidentally, this does not prevent the Russian revolution from giving proper attention to the stubborn Hegelian need. (*Italian Fascism*, Harbin, 1928).

What is Hitler — a minor country road of German history, or its highway? What is national socialism — a soap bubble, engendered by hard times, or a thunderbolt of history? The answer to this question will be given by history. The material needed for the answer is amassing, and it is interesting and instructive to watch how it is piling up.

Before the First World War and in the 19th century, there were no examples of such a rapid growth and lightning success of a mass political party. The first meetings of the German Labour Party took place in the furnished apartments of Rosenbad, Munich, in 1919. They were attended by seven people. Hitler included. In the presidential election of 1932, he polled more than 12 million votes. The membership of the (Nazi-Ed.) party reached 1,200,000. A year later, 17 million Germans voted for Hitler, who already led the German government. Such are the rates.

The party of the masses. Its success is a craze, collective hypnosis, psychosis, if you like. But it is a craze which engenders increased excitability, the will to act and demonstrate effectiveness. It is a militant party, an army of fighters.

In this respect it is deeply and truly modern. The beginning of the 20th century was keynoted by the awakening of the vast masses of the people who became involved in history-making. The same happened in crucial periods in the past, when "fate changed the horses." Today it is manifested the more strikingly, the more people are involved, especially in the decisive regions of the world. Fate does not change horses any longer. It replaces them with engines of various kinds.

"The uprising of the masses" brings about repercussions everywhere — in the field of culture and in the style of the epoch. Quantity changes into quality. Mass parties are a sign of the times. Lenin has drawn up a wonderful strategy and tactic of mass action. The revolution of the new era has produced its own Clausewitz, who mathematically, and with inspiration, computed the concrete stages of the splendid dialectics of fear and love, revolt and obedience demonstrated by the awakened masses.

What about "heroes"? Heroes and leaders have not disappeared, of course. But they have acquired a new image. They are not demigods and the Lord's anointed, but the evil spirits of the masses, the flesh of their flesh. They are not helmsmen of romantic triremes, but the drivers of sober engines. If there is romanticism in them, it is an entirely new one. Lenin's cap, Stalin's jacket, Mussolini's black shirt and Hitler's brown shirt are symbols. They reflect the present politics imbued with fate as a myth.

Lloyd George called Lenin "the first great fascist of our days." Of course, Lenin, not anyone else, should be recognized in our epoch as the father and most profound theoretician of this principle of or-

ganization, which combines direct emphasis on the broad masses with an enhanced importance of guidance, authority and strict discipline. Brotherhood is combined with hierarchy and obedience as in a knightly fraternity. Lenin linked this idea of organization with communism, a refurbished Marxist outlook and his own, carefully thought-out philosophy of the present time.

Fascism seeks to place Lenin's principle of organization at the service of another political and historical outlook. It has its own large-scale strategic plan. In some respects this plan overlaps and resembles the Bolshevik one in a peculiar way, and in many respects it contradicts the Bolshevik plan. In conditions of the present dialectics of social forces and tendencies, the dialectics of these two major ideocratic systems of our days will, probably, fill world history in the near future...

While Lenin's doctrine closely links the party with the working class whom it leads, fascism tries to theoretically understand and practically implement the idea of an above-class national-state party. Mussolini talked about "the cooperation of classes and the promotion of all national energies." In this respect, Hitler implicitly follows fascism. Bitterly attacking the Marxist dogma of class struggle, he counterposes to it, as we already know, the dogma of racial and national unity.

Formally adopting Lenin's principle of organizing a party, fascism emphasizes more sharply and specifically its dictatorial, authoritarian character. In Bolshevism, historically rooted in Marxist sociology, the role of the leader or leaders and their personality do not stand out and are not overemphasized so demonstratively. In the Communist Party, its central committee and general secretary are still elected. The authority and firm position of the leadership are achieved by non-charter methods and are not recorded formally. The centralism of the party apparatus is proclaimed "democratic."

On the contrary, fascism formally proclaims that the duce is irreplaceable. It openly embraces the principle of guidance, authoritarian hierarchy, and the appointment of people from above to all party posts. Fascism theoretically consolidates the historically established Bolshevik practice, breaks away with the very idea of democratic election as either superfluous or harmful, and regards the idea of leadership as most important.

Bolsheviks have quite a different style. Lenin constantly insisted on the organic interlocking of the masses — through the class and the party — with their leaders, since the latter answer their purpose... Stalin's authority as the leader is now strengthened by the party apparatus in every way. But the dictator will never allow himself to make an authoritarian gesture. On the contrary, he misses no chance to stress that the priority of the masses is primordial and indisputable. The people thirst for bread. The world economy is in crisis. But this crisis is not the whim of irresistible superhuman forces, not the callous ferocity of nature or the result of an accidental disaster. It is a result of the illness of man, the peoples, mankind, who are losing their live contact with the economy. It is a crisis of organization, power and confidence. In the long run, it is a crisis of faith and outlook.

The peoples feel this. They are engaged in frantic searches, seized with convulsions, and obsessed with fervent ideas. In a situation of hesitation, troubles and decline at the crossroads of epochs we see that mankind's reserve of creative passion is far from having been exhausted. We can talk about the unfortunate world struggling at a dead-end. At the same time, we can talk about "the believing and heroic world." It is, in fact, the main consolation in the face of a disaster impending over the present world, over all of us. (*German National Socialism*, Harbin, 1933.)

Fascism has fully adopted Lenin's idea of party dictatorship and his principle of a centralized organization of a party



New young faces are appearing in the Foreign Ministry of Russia. Its new spokesman is 39-year-old **Sergei Yastrzhembsky**, who has been appointed head of the Information and Press Department. Yastrzhembsky replaced in this post Vitaly Churkin, a man close to Eduard Shevardnadze, who is leaving as the Russian Ambassador to Chile.

Having accepted the proposal of Foreign Minister Kozyrev, Yastrzhembsky sacrificed the post of editor-in-chief of the recently founded elite magazine *VIP* (a magazine about and for leaders). Instead of much promising acquaintances with leaders of the world community, Sergei will have to defend at press conferences Russian foreign policy, which is harshly criticized in the parliament and by some newspapers.

A graduate of the Moscow State Institute of International Relations and a candidate of history, Yastrzhembsky worked for the Prague-based journal *World Marxist Review*, which had a reputation as a hotbed of party liberalism. Already in the years of *perestroika* he worked in the International Department of the Party's Central Committee. However, he left it in good time and began to work in the Socio-Political Research Foundation. Yastrzhembsky is the author of many articles, some of them published in *New Times*.

On learning that **Maisarat Makharadze**, 49, was ap-

pointed Deputy Minister of the Press and Mass Information, some people commented like this: "Oh, Makharadze, the wife of a vice-premier." But it is probably a hasty conclusion.

Maisarat published her first articles in local newspapers when she was 15. She lived then in Daghestan. After she had finished school she joined the staff of the newspaper *Daghestanskaya Pravda*. The young journalist was invited to enter Moscow University, but her parents did not let her go. She went on to enter Makhach-Kala University.

Working in Daghestan's Ministry of Culture, she took a great interest in drama and wrote several plays. One of them was awarded the first prize at an all-Russia competition.



With a future vice-premier, Valery Makharadze, Maisarat worked in the youth department of the republic's television. When Valery, now her husband, was appointed

the manager of a plant in Udmurtia, she went with him to that autonomous republic. It was a backward enterprise and Makharadze, as an experienced manager, was sent to "put things right" there.

Displeased with the new manager's tough policy, some specialists organized a boycott. Maisarat then went to work in one of the shops. Some time later the workers elected her their shop superintendent.

Valery was transferred to another lagging enterprise, in Kamyshin, Volgograd Region. Maisarat again worked together with him, and the enterprise soon became successful.

Far from everyone liked their methods of work. Some officials of the City Party Committee looked

The grandson of an Uigur prince

"I am not a minority man, I am Uigur," ten-year-old **Azat Akimbek** defiantly shouted in the face of his teacher and dashed out of the classroom. In the Urdjar village, Semipalatinsk Region, the schoolchildren were divided into Russians and minorities. The little boy was an Uigur prince by birth. In the 1950s, together with his mother, he emigrated to Kazakhstan from the Xinjiang-Uigur Autonomous Region of China.

The ancient Uigur people, who inhabited the vast and rich territory of Eastern Turkestan, were the first of the Turkic tribes to have mastered farming, built towns and invent a written language. In the empire of Genghis Khan, Uigurs did clerical work. Later on, they founded a state on the territory of Eastern Turkestan, and it was known even in European capitals. But in the last centuries the Uigurs lost their statehood and were scattered across the world.

During the "cultural revolution" in China, where a large part of Uigurs live, the Maoists fought against the national consciousness of small peoples. The recalcitrants were thrown into prison. Among them was Azat's father, who was sentenced to death for his part in the national liberation struggle. The execution was then commuted to 25-year imprisonment.

In his youth (true, he was then compelled to bear a Kazakh name) Azat Akimbek decided to become a guardian of the tragic memory of his people. "I'm a collector of Uigur antiquities, and this is what makes me interesting," he says, paraphrasing the words of poet Mayakovsky. In the makeshift shanty on a swamp, near the Alma Ata airport, in which he lived for more than 20 years, Akimbek kept an invaluable collection of the material culture of his people. Being a talented artist, poet and chaser himself, Azat constantly supplemented the collection with his own articles.

For many years he asked the local authorities to give him a premise for the collection, but without avail. It was only recently that Azat Akimbek received a flat.

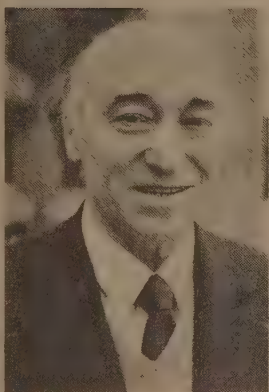
Azat Akimbek, 43, has been elected Vice-President of the International Committee Eastern Turkistan. He still hopes to return to the native land of his ancestors and show the Uigurs the articles of their forefathers he has been able to preserve to this day.



askance at the "tandem." But when Valery was elected Chairman of the Executive Committee of the City Soviet and another manager was appointed, the workers threatened with a strike and demanded that elections should be held. Maisarat Makharadze was their candidate for manager. After the election there was "dual power" at the plant for some time.

Roughly at the same time Maisarat won in the entrance competition and then finished business school at Duke University in the United States. On returning home she became head of the industrial-commercial company Volgograd Trading House.

Maisarat won the post of deputy minister in a competition. She was the only candidate who succeeded not only in journalism and management but also in business. Incidentally, by the time Maisarat took her new office Valery Makharadze was not yet a vice-premier.



people are in great demand. Recently, Russia's Ministry of Labour initiated a contract with Germany for 13,000 Russian nationals to go to work in Germany. Zagrarnud will be actively involved in the im-

plementation of the project. There is a proposal from Great Britain to invite 10,000 banking, commercial and legal specialists. University professors of physics, aircraft technology, electronics, and schoolteachers, including Russian language teachers, are in high demand, especially in Algeria, Zambia, South Korea and China. Kuwait asked us to select a group of medical personnel. Our steelmakers and construction workers, involved in the building of electric power generating plants, including nuclear plants, are highly valued abroad. We are now selecting a group of construction workers to build oil refineries in Columbia. Zagrarnud cooperates with manpower firms from Switzerland, Israel, South Africa and the US. Criteria for selection are very strict. There are a

number of parameters and a testing procedure we use to select the best candidates. One out of every two or three candidates possessing unique skills is chosen, whereas, in mass professions, the ratio is 1 to 7-10. The reason for such strict selection is that we are economically responsible for the honouring of contracts with foreign firms. We also choose people to work in foreign companies' offices in Russia. We organize on-the-job training abroad, too. This is seen in agriculture and banking, in particular. When contracts are concluded with physicists, it is done with the knowledge of competent Russian and international organizations. Besides, physics is a very broad science. As for nuclear experts, we never send such specialists to Third World countries.

Andrei Vereinov graduated from the Moscow Bauman Higher Technical School and the Diplomatic Academy. He holds a doctorate in history and has vast experience in engineering, scientific and consular work. He is now the partnership Zagrarnud's General Director.

As Russia opens up to the outside world, the number of those willing to work abroad increases. According to estimates by experts, in the years to come, some five million people might seek foreign employment contracts. The partnership Zagrarnud, created last November, is tackling the perplexing problem of organizing international labour migration within acceptable levels.

The partnership was founded by Russia's Ministry of Labour, the Vneshobrazovanie joint-stock company, the Russian Academy's Institute for European Studies, and the insurance company Service Reserve.

There are many Russians, both blue- and white-collar workers, with a really high level of skills, Andrei Vereinov says, and sometimes these skills are unique. Such



Ice cream for Russia

One week-day a *New Times* reporter was invited for champagne with 31 varieties of ice cream, the reporter couldn't resist the temptation. On that day **Michael Kadenacy**, 53, the managing director of Baskin-Robbins Eastern, laid the foundation-stone of an ice cream plant.

"Baskin-Robbins is a leading company in the world in the manufacture of ice cream," Kadenacy said. "We run 3,400 shops in 45 countries and five shops in Moscow. We have just opened shops also in St. Petersburg and Novgorod."

Baskin-Robbins is a subsidiary of the British Allied-Lyons PLC, and the cost of a future factory is therefore estimated in £30 million. So far it is the largest investment of the West in the Russian food industry. It can be hoped that, upon becoming operational in two years' time, the factory will not only satisfy the appetites of Russian sweet-lovers (16,000 tons of ice cream a year) but will also export part of its output.

Kadenacy, who has worked in Baskin-Robbins for slightly more than a year, says that his aim is "to promote industrial construction in Russia." He had to save the project of building a factory more than once during a situation when the authorities changed. It is not accidental that the Baskin-Robbins directors chose Kadenacy for the job. His speciality as a lawyer is to conduct negotiations on complex international deals.

The Russian meat and milk trading organization promised to supply milk and cream for the factory. It is said, however, that the first visit to a cow-shed in the Ruza District of the Moscow Region did not arouse enthusiasm among Western partners.

The sun peeped through the clouds when a priest sprinkled holy water on a plot of waste land near the Refrigerating Plant No. 9 on Ogorodny Street and Kadenacy, with the help of his colleagues, lowered a weighty brick into a pit. Workers of the refrigerating plant looked with interest at respectable gentlemen wearing conservative suits and white building helmets with "Baskin-Robbins" written on them. Then they stood in line for free ice cream. In two years' time some of them will be recruited to work at the factory. The ice cream therefore should be tasted beforehand.

Rudolf Khachatrian's formula

Rudolf Khachatrian's future was decided in the youth when he met with Ervand Kochar, a noted painter, who had previously worked in Paris and adhered to the principles of classic prewar European avant-garde. The aesthetic views of the young painter were shaped to a large measure under the influence of the master.

Khachatrian began to take part in exhibitions when he was 18 — first in his native Armenia, then in different cities of the Union and abroad.

Having started his creative work as a painter, he then became proficient in graphic arts.

In the 1970s Rudolf moved to Moscow. Many people wanted to get into his studio and, if they got lucky, to order a portrait.

The London period in Khachatrian's creative work began in the autumn of 1990. Having received an invitation from "diamond king" Oppenheimer, he went to London. With the help of friends Rudolf found a studio in which he works from morning till night. During a year he created up to 300 works in different techniques. He was offered to display some of them in small galleries. However, the master expects a real proposal from one of the large museums so that people could get a true idea of his creative work.



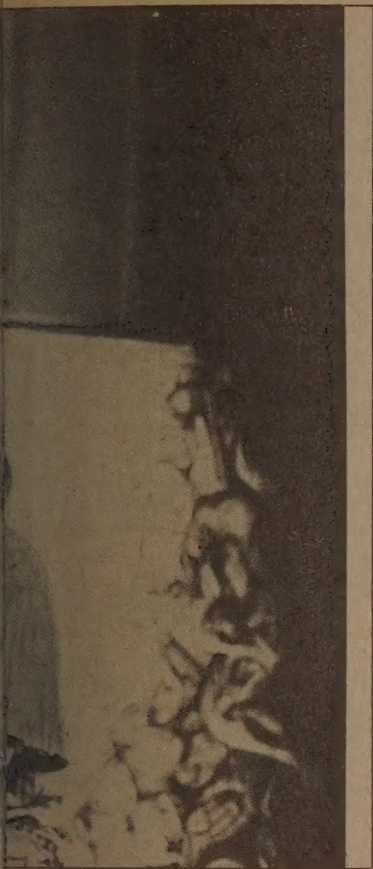
Conqueror of space and time

Rudolf Khachatrian's studio is packed high with finished efforts that lie there in expectation of the time when he will make the world gasp. For meanwhile he has no time to break away from his basic quest, for the formula of HUMANITY.

I have time and again sat down to my typewriter to write up Khachatrian's grand discovery. However, each time I visit his studio he tells me: "Now, this will drive you crazy." As a result, I tear up my almost finished copy, as I simply cannot keep up with his creative quest. One day he showed his latest series of elegant stamped black-and-white studies to a publisher, who had undertaken to put out an art book devoted to his London period. The publisher said it would be hard to get the tridimensional effect across. However, a fortnight later I was afforded one more confirmation of the artist's genius, when these sheets virtually sprang to life.

"I have come to conquer London"

What I for one think the artist's basic talent is his ability to breathe life into nonexistent imagery and forms. His chief discovery is his graphic representation of history. He has evolved a formula for



icturing life that integrates time and space
a one image.

"We all have our childhood in us," he
ays. "This is a symbolic image and proceed-
ing therefrom I think one can convey
he simultaneity of two states being of one
nd the same image, in short, demonstrate
heir unity. This, in principle, is more than a
ymbol. After all, when we come to think of
e, we all have within ourselves simultane-
ously several states of being. Psychologi-
ally, HUMANITY lives in all of us. At
orst, this is an invented hero." Rudolf
hainsmoked, seated in a low armchair, and
ontinued: "Adam is the entire human race,
s source. By combining all within one
nage, you again get Adam. However now,
ot the Biblical personage, but another in-
icate being, who has absorbed the full
ange of feelings, forms and contradictions.
ough this may be a surrealist Caliban,
ill it will be Adam. What chiefly makes
im look like that is the time that is com-
ressed within him. True, I simplify the task
nd do not try to 'piece Adam together
ackwards.' For me, it is enough to symbol-
ally convey time within the plane of the

mother-and-child biunial state of one
character, which is the union of past and
present. How will one more organically
convey that if not by means of integrating in
one image the source of life and life itself? I
have tentatively termed my Caliban the
'small-big one.' At the outset that was but
one monumental character. Subsequently,
I populated it with other 'small-big ones' to
produce something reminiscent of an anthill.
Against the background of an almost
static giant, they all lead their fussy lives.
The most astonishing thing about this is that
neither the monumental character nor the
'ants' care an iota for one another, while at
times or rather virtually always, one half
cares nothing for the other half, although
they all harmoniously integrate into one un-
ited image. Indeed, they simply cannot exist
autonomously of one another."

When during another visit we sat there
talking in his studio, it appeared to me as if
his latest series picturing the aforementioned
human anthill was the highpoint of his crea-
tive oeuvre. I thought the artist was of the
same view, that he had attained the critical
point of discovery. A dilettante, I suggested a
continuation, and asked him whether it
would be possible to separate the "small one"
from the "big one" and combine them by
means of a spatial background.

"That's out of question, for that would
spell the end of the human race," Rudolf re-
plied in full earnest. "One cannot tear up
time as that spells death," he emphasized.
Returning home, I sadly thought the artist
had sunk into a crisis, from which he would
find it extremely difficult to extricate him-
self. I was amazed when next week he called
with his usual "this will drive you crazy" re-
mark. "You're a true genius!" I observed,
studying his new series. "Had you any
doubt?" he retorted. "After all, I have
come here to conquer London."

Apropos the "small-big one"

Back in the 1960s, Khachaturian started his
fascinating world of people in whose bodies
holes are cut to offer an "open form into
space." However, the powers-that-were
frowned upon this "holy" world, which al-
most cost him expulsion from the USSR
Union of Artists. Still he stuck to his guns,
eventually arriving at a concept which be-
came his life-long love, to wit, the quest for
a plastic means of conveying time. He por-
trayed an odd creature, a prostrate figure
with two heads, one asleep, the other
awake. These were two states of being of
one character, a concept that subsequently
ran like a red thread through his entire crea-
tive endeavour. "This was still not the dis-
covery. It was still too proportional," he
told me, showing a photograph of this twin-
headed monster. "What I needed was a link
between past and present, a spatial move-
ment, however one plastically, not mechan-

ically, conveyed." Scratching at his thick,
silvered beard, he continued: "More and
more often now I recall my teacher, Ervand
Kochar. Back in the 1930s, he sought to
convey the simultaneity of two states, to
which end he was obliged to invent a new
trend of spatial painting. Imagine figures set
in different planes. As you turn these
planes, you see one figure becoming the
other and one state the other. But as these
figures are fused in one image, you obtain
the simultaneity of their presence within it.
Kochar produced an amazing effort
wherein a woman simultaneously stands
and sits. However, all these works were
physically spatial. What tormented me was
how to produce such an image in a two-di-
mensional plane."

As the artist flipped over several pages of
his home-made album, there flitted by as if
in an animated cartoon a number of photo-
graphs of his efforts, serving to bring to life
his unreal world of characters. "At last," he
said, "here you are. I called this piece
'Motherhood.' Take a good look at it." I
peered at this representation of a mother
tenderly clasping a child to her bosom, the
eternal image of Virgin and Infant. Sudden-
ly I saw that the child and the mother
comprised one integral being. "Drives you
crazy, doesn't it?" Khachaturian exclaimed.

The presence everywhere of the "small
one," in this case the child, introduces the
time factor; however, not literally, as with
Kochar, but figuratively, in the language of
painting. What you have here is the super im-
position of two epochs, as, for instance, we
have in the Bible wherein a host of texts writ-
ten at different times generate ultimate har-
mony when read. With Khachaturian, the child
symbolizes the past. In one effort, he depicts
the mother, or the "big one" seated on a chair,
and the child, or the "small one" standing in
full stature and looking at a mirror. Again, as
in Kochar's effort, the figure raises from the
seated position, but within one two-dimen-
sional plane, due to the child's smallness.

"I think the discovery of the 'small one'
and the 'big one' presented the key," the ar-
tist observed. "Just look how naturally the
small arm rests on the support, and how the
small leg generates a harmony, which the
big leg would have upset otherwise. The
seated figure obtains its monumental archi-
tectonics only when my 'small one'
emerges. This is reminiscent of the Temple
of Garni, whose steps are enormous as
though once bestridden by a race of giants,
whereas by itself the temple is small. Ar-
menia has a wonderful piece, the Convent
of St. Ripsime, an impressive, majestic
structure, attached to which is a tiny chapel
that complements the overall harmony and
accentuates the eternity of the entire com-
plex. Should I seek the source of my ideas
there? Or is this divine? Now, don't grin.
After all, what would you know about it?"
At this point he grinned, peering at me from
behind his massive spectacles.

Sergei Babusenko,
NT correspondent
LONDON



Seeking Long-Term Cooperation

On March 19, the Swedish corporation Electrolux opened its Moscow office. "You have a huge untapped economic and scientific potential and unrivalled natural resources", said Mars Lundblad, the corporation's director for trade with East European countries, "and your domestic market undoubtedly greatly interests us in considerations of export of your products. We are not after immediate success, but are seeking long-term, mutually-beneficial cooperation with Russia".

Electrolux Corporation, with headquarters in Sweden, unites over 600 companies and enterprises in more than 40 countries. It specializes in the manufacturing of products made of nickel-plated steel and nickel alloys, including equipment for the food industry, hotels, restaurants, cafeterias and automatic laundries. The firm's annual turnover exceeds 80 billion Swedish kronas.



Oil Companies Compete

The British firms Agip, British Petroleum, and British Gas are expected to submit projects for the development, production, and processing of liquid hydrocarbons of Karachaganak oil condensate fields located in the Urals region of Kazakhstan. Such are the terms of the bidding which was organized by Kazakhstan's Ministry of Energy and Fuel Resources to select a foreign partner.

Deputy Minister K.Baikenov noted that preference will be given to a project which, in addition to providing the maximum production of

gas and oil at Karachaganak field, will incorporate efficient environmental protection, comprehensive development, and improvement of the region's social sphere. An independent British auditing firm will be invited to analyze the projects. Among members of the organizing committee on the bidding are representatives from the Institute of State and Law of Kazakhstan's Academy of Sciences, the State Committee for Environmental Protection, the Ministry of Geology and tax authorities.

In July, the Kazakhstan government is expected to adopt a resolution defining which foreign companies shall develop the richest oil field in its territory.



Safe Business

Changing economic conditions in Russia are attracting an increasing number of foreign companies to this country, but the trailblazers are encountering problems in finding reliable partners. "It is better to think of finding partners in advance," said head of the Delta Force agency. To be sure, Delta Force will rectify the situation if you made a wrong choice, but it will save you money to inquire about the reputation and financial standing of the future partner in advance."

Delta Force is also familiar with the ins and outs of convoluted Russian criminal law. For example, the agency helped a French businessman who was formerly a Soviet citizen avoid criminal persecution in this country. Using only the name of the cooperative of which he had served as chairman, they found all the required documents, allowing their client to safely stay in his home country.

The agency's main clients are banks. With the extremely high in-

terest rates in this country, they are forced to conduct high-risk operations and need constant help and reliable information.

Other services Delta Force offer include:

- reception and send-off at the Sheremetyevo-2 International Airport (the rates are from 500 to 1,000 rubles);
- bodyguards and transport (150 and 300 rubles per day);
- efforts and equipment in counter industrial espionage (examination of an office with the use of equipment developed by companies such as Bosch, Teslo - 1,000 to 5,000 rubles per square meter).

Although parliament recently passed a law on non-state detective and bodyguard services, the agency staff doubts that it will work, as not one but the police can now legally carry arms in this country, and taking out a licence for a non-police officer to bear a weapon is hardly possible.

Delta Force, now 18 months old, employs a staff with a variety of skills. One of the agency's strengths in comparison to other detective agencies is the low average age of its staff, which is under 35 years.



Just What the Doctor Ordered

If you have a splitting headache or suffer from insomnia, call the Moscow drug store at Tverskaya 4 where you will find a wide range of medicines from the best firms of Austria, Germany, Switzerland and France. Aspirin C, a universal panacea, costs \$4.34.

Swiss-made Reginol - \$2.12, the latest product of the Swiss firm Geriotrik, high in vitamins - \$14.55. Also on sale are Pampers, baby vegetable and fruit mixtures produced by Hip. French cream Vichy, which won first place in a contest sponsored by Christian Dior...



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